

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
November 6, 2008
APPROVED COPY
Canaan Fire Station**

Members present: David McAlister - Chair, Denis Salvail, Dave Barney, Nathan Deleault, Eleanor Davis, Shirley Packard, Russell Lester, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Selectmen Robert Reagan and Tim Lewis, Phil Carter, David Heath, Larry Brabant, Chief Bill Bellion, George Lazarus, Bob Scott, Al Posnanski, Chief Sam Frank, Amy Thurber, Cindy Neily, Beth Wolfe, and the minute taker; Christi Berube.

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

Committee members received revised pages dated November 4, 2008, [pages 5, 6, 11, and 12] of the 2009 budget worksheet dated October 15, 2008, which included the Board of Selectmen's recommended 2009 budget.

Legal Budget

David McAlister summarized that there were concerns and questions expressed at the last meeting regarding how the \$30,000 fee is determined for the Grafton County prosecutor. Chief Frank responded that the prosecutor's total budget is approximately \$118,000, which is divided between the towns of Enfield [30%], Grafton [2%], Hanover [31%], Lyme [6%], Orford [6%], and Canaan [25%] according to the percentage of hours that he spends prosecuting cases for each town.

Shirley Packard asked where the cases are prosecuted. Chief Frank responded that there is a shortage of judges so the prosecutor needs to travel around to the various courthouses of Plymouth, Claremont, Concord, Lebanon, and Littleton.

Eleanor Davis asked which cases the County Attorney handles. Chief Frank responded that the County Attorney handles the cases regarding felony charges. Eleanor Davis commented that the Town of Canaan is simply paying the County Prosecutor instead of paying Sam Frank to prosecute cases. Chief Frank noted that the conviction rate of Canaan's cases is 98%. Chief Frank explained that the County Prosecutor handles all the paperwork and arraignments and can represent the employees of the Canaan Police Department since Chris O'Conner is listed as an officer of the Canaan Police Department although he is not receiving any payment from the department budget. Chief Frank added that he or the Canaan police officers are only needed for testimony when trials are scheduled. Chief Frank explained that the County Prosecutor has all the training required and is on-call at all hours to assist the Canaan Police Department.

Shirley Packard asked who collects the fees. Chief Frank responded that most of the fees go to the State of NH since most violations are against state law. Chief Frank explained

that if the Town of Canaan enacted more town ordinances, then the town could collect on some of these fees.

Eleanor Davis asked how long Chris O'Conner worked for the Canaan Police Department before becoming the County Prosecutor. Chief Frank responded seven or eight years.

MOTION by Dave Barney and seconded by Nathan Deleault to approve a 2009 budget figure of \$30,000 for the Grafton County prosecutor line item within the legal budget and to approve a 2009 budget figure of \$50,000 for the legal budget, as recommended by the Board of Selectmen.

VOTE: Unanimous

Police Department Budget

MOTION by Eleanor Davis and seconded by Shirley Packard to table the approval of the Police Department budget until the results of the association's contract are known.

Scott Borthwick summarized that the Board of Selectmen is waiting for a response from the association at this time. Chief Frank added that the association has requested possible dates to schedule the next meeting.

David McAlister commented that he does not see any issue with tabling the approval since eight line items are impacted by the contract.

Chief Frank asked what the rationale was for the Board of Selectmen to reduce the training line of his proposed budget for 2009. Scott Borthwick responded that \$2,500 was reallocated from the training line item to the dues and subscriptions line item for the SWAT team. Scott Borthwick also explained that the 2008 budget was used as a guideline in order to determine their recommendation for the 2009 budget.

Chief Frank noted that the Board of Selectmen's recommended chief salary for 2009 represents an hourly rate decrease from what he is currently earning for a 40 hours per week schedule. Chief Frank added that his position often requires more than 40 hours each week. Chief Frank explained that he has compared his current chief salary to other towns of similar size and that his salary is low compared to other towns. Chief Frank added that he is one of the lowest paid in the Canaan Police Department yet he has greater responsibility and spends more time on the job.

Dave Barney commented that the Budget Committee has a recent precedent of letting the Board of Selectmen set the salaries and benefits.

Scott Borthwick explained that the Board of Selectmen decided not to give anyone salary increases next year in hopes that the voters will approve the operating budget.

Chief Frank clarified that the chief position is a salaried position but that he has the same training as the chief in the Town of Enfield and that the Town of Enfield is paying their chief \$79,000.

Nathan Deleault asked why the Budget Committee should table the approval of the proposed budget if the terms of the contract are binding once negotiated. Eleanor Davis responded that the final budget figure will be impacted if no agreement is reached during the negotiations.

Chief Frank noted that the chief position is elected by the voters every three years and that he has proposed a modest salary increase compared to what chiefs are earning in similarly sized towns. Chief Frank added that he, and his family, will need to evaluate whether he is interested in running for the chief position again.

Russell Lester commented that the town's infrastructure is suffering due to the statewide property tax and the school budget and that the voters need to take a good look at the proposed school budget at the Deliberative Session.

Shirley Packard asked whether a warrant article will be proposed for the secretary position. Chief Frank responded no and explained that he is not asking for anything extra since a warrant article for an extra police officer was not approved previously.

VOTE: 8 YES 1 NO [C. Lawler]

Chief Frank asked whether funds to replace the 2005 Crown Victoria police cruiser are included in the proposed 2009 budget. Dave Barney responded that the CIP includes funds for a police cruiser but that no further decision has been made whether the police cruiser should be included in the operating budget or on the warrant.

Craig Lawler asked whether a lease purchase option is being considered. Chief Frank responded that he would not be opposed to the idea.

Russell Lester asked how the maintenance is handled with a lease purchase. Chief Frank responded that the maintenance schedule would be the same whether a lease purchase is used or not.

Larry Brabant clarified that the lease purchase option would be a municipal lease purchase option, which includes an "opt out" option.

Eleanor Davis explained that lease payments become part of the default budget and that lease proposals legally need to be presented as a warrant article.

Chief Frank clarified that the life span for a police cruiser is generally four years before the maintenance becomes costly.

There was general clarification that the warrant and consideration of the police cruiser will be reviewed at the November 20th meeting.

Fire Department Budget

Chief Bellion distributed a handout of his 2008 Work Log for the Fire Chief.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$94,122 for the Fire Department budget, as recommended by the Board of Selectmen.

Chief Bellion summarized that a purchase of fifteen lengths of five inch hose will be required from the 2008 budget in order to meet code compliance. Chief Bellion also expressed concern that the remaining balance for the part-time salaries line item is low and could be easily used up by any two major fires or storms within the next months.

Chief Bellion explained that the chief position is on-call 24/7 and that the position requires maintained certification in order for the Town of Canaan to be eligible for grant funding. Chief Bellion added that the chief position manages the greatest number of individuals.

Russell Lester suggested that the hoses could possibly be purchased through the capital reserve fund.

Chief Bellion noted that the \$2,000 bill from the HazMat has not been received or paid from the dues and subscription line item for 2008.

Craig Lawler asked whether a new fire truck is being considered. Chief Bellion responded that one of the town's existing trucks requires \$11,000 in repairs before it can be used again. Chief Bellion explained that he has not authorized the repairs since he would like the opportunity to propose a purchase of a 2007 pumper truck, which is a retired demonstration model that is being offered at a reduced price of \$282,000. Chief Bellion added that this could be a lease purchase with no money down. Chief Bellion suggested that an emergency meeting should be considered since the opportunity to purchase this truck will not last long and since the town is currently relying on mutual aid from other towns. Chief Bellion explained that he has contacted multiple truck dealers and that the 2009 models have increased three to five percent in price and that the prices will continue to increase once the new truck standards become effective on January 1, 2009.

Eleanor Davis suggested that the Department of Revenue Administration be contacted to ask how capital reserve funds can be accessed. Michael Capone responded that use of capital reserve funds has stipulations and that the lease purchase could not include an exit clause. It was noted that a majority vote of three fifths would be required to use capital reserve funds.

VOTE: 7 YES 2 NO [D. Barney and D. Salvail]

Emergency Management Budget

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$56,055 for the emergency management budget, as recommended by the Board of Selectmen.

Chief Bellion noted that the second bill to the dispatch service has not been mailed yet.

VOTE: Unanimous

Mechanic Budget

Larry Brabant commented that the recommendation from the Board of Selectmen is acceptable to him.

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$129,509 for the mechanic budget, as recommended by the Board of Selectmen.

Craig Lawler asked what the line item for petroleum products refers to. There was general discussion that the oil products used for vehicle maintenance does not fluctuate in price like the fuel prices do at the gas pumps.

VOTE: Unanimous

Highway Budget

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$50,175 for the first three line items of the highway budget, as recommended by the Board of Selectmen.

Bob Scott asked why no salary increases have been factored into the highway budget. Scott Borthwick responded that the Board of Selectmen decided to not give salary increases next year to anyone in hopes that the voters will approve the operating budget. It was also noted that the town's costs has increased for insurance and retirement.

Russell Lester commented that the Town of Canaan should not expect a larger contribution from the town employees if no salary increases are being considered.

VOTE: Unanimous

MOTION by Russell Lester and seconded by Dave Barney to approve a 2009 budget figure of \$506,077 for the second grouping of line items regarding the highway budget, as recommended by the Board of Selectmen.

VOTE: Unanimous

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$393,105 for the last grouping of line items regarding the highway budget, as recommended by the Board of Selectmen.

There was no vote taken for this motion at this time.

MOTION by Eleanor Davis and seconded by Dave Barney to amend the paving line item to \$150,000 and to approve a 2009 budget figure of \$543,105 for the last grouping of line items regarding the highway budget.

VOTE: 2 YES [D. Barney and E. Davis] **7 NO**
MOTION FAILED

MOTION by Russell Lester and seconded by Dave Barney to amend the paving line item to \$100,000 and to approve a 2009 budget figure of \$493,105 for the last grouping of line items regarding the highway budget.

VOTE: 4 YES [D. Barney, E. Davis, S. Packard, and R. Lester] **5 NO**
MOTION FAILED

Eleanor Davis commented that a part of the state fees from vehicle registrations and the federal gas tax are raised for highway funds.

MOTION by Dave Barney and seconded by Russell Lester to amend the paving line item to \$75,000 and to approve a 2009 budget figure of \$468,105 for the last grouping of line items regarding the highway budget.

VOTE: 4 YES [D. Barney, E. Davis, S. Packard, and R. Lester] **5 NO**
MOTION FAILED

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$393,105 for the last grouping of line items regarding the highway budget, as recommended by the Board of Selectmen.

VOTE: 7 YES 2 NO [D. Barney and E. Davis]

Transfer Station Budget

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$225,378 for the transfer station budget, as recommended by the Board of Selectmen.

There was no vote taken for this motion at this time.

MOTION by Shirley Packard and seconded by Russell Lester to increase the supplies line item to \$2,500.

Shirley Packard commented that the transfer station can not generate revenues if the staff does not have the supplies needed to bale and process the recyclables.

Al Posnanski commented that the transfer station generates revenue from recyclables and from the fees for non-recyclable items.

There was general discussion and suggestion that a report should be included in the town report so that the public is made aware of these revenues received from the transfer station. It was also suggested that the information could be distributed in a handout at Town Meeting.

VOTE: 4 YES [N. Deleault, D. Barney, S. Packard, R. Lester] **5 NO**
MOTION FAILED

Craig Lawler commented that a list of the site improvements for the transfer station would be helpful.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$225,378 for the transfer station budget, as recommended by the Board of Selectmen.

VOTE: 7 YES 1 NO [S. Packard] **1 ABSTAIN** [E. Davis]

Library Budget

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$116,012 for the library budget, as recommended by the Board of Selectmen.

There was no vote taken for this motion.

Denis Salvail asked why the Board of Selectmen did not recommend a level funded library budget. It was explained that the 2008 default budget amount resulted from a voluntarily reduction of \$6,300 from the library due to the default budget.

Cindy Neily explained that the 2009 budget proposal from the library was \$115,874 and that she thought that the \$116,012 was the total once the town administration factored in the total retirement, salary, and insurance costs.

Cindy Neily expressed concern that the library may not receive a contribution from the Brundage Foundation next year due to the economy downfall.

MOTION by Craig Lawler and seconded by Denis Salvail to amend the annual contribution to the library to \$100,000 for 2009.

Nathan Deleault commented that he does not support reducing the library budget since the library is a valuable and needed resource for information and education during the economic times. It was also noted that the library staff have been successful at raising funds to improve a town building.

VOTE: 3 YES [S. Packard, D. Salvail, and C. Lawler] **6 NO**
MOTION FAILED

MOTION by David McAlister and seconded by Russell Lester to amend the annual contribution to the library budget to \$112,300 for 2009.

Cindy Neily suggested that the default budget figure of \$112,300 should be adjusted to include the increases in the insurance and retirement rates.

VOTE: 6 YES 3 NO [D. Barney, E. Davis, and S. Borthwick]

MOTION by David McAlister and seconded by Russell Lester to approve a 2009 budget figure of \$112,300 for the library budget.

VOTE: 5 YES 4 NO [D. Salvail, D. Barney, E. Davis, and S. Borthwick]

Cemeteries Budget

David McAlister reminded board members that the deliberation of the cemetery budget was tabled at the last meeting and that the following motion was presented at the last meeting.

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

There was no vote taken for this motion.

It was noted that the calculation for the retirement line item was corrected, that the supplies line item was reduced from \$5,000 to \$3,000, and that the equipment line item was reduced to \$1.

MOTION by David McAlister and seconded by Russell Lester to amend the 2009 budget figure to \$35,046 for the cemetery budget.

VOTE: Unanimous

MOTION by David McAlister and seconded by Russell Lester to approve the 2009 budget figure to \$35,046 for the cemetery budget, as recommended by the Board of Selectmen.

VOTE: Unanimous

Recreation Budget

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$6,735 for the recreation budget, as recommended by the Board of Selectmen.

Dave Barney asked why the director salary has been reduced. Robert Reagan explained that the \$1,000 stipend is more in line with what other towns offer their recreation directors.

VOTE: 8 YES 1 NO [D. Barney]

Debt Service Budget

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$128,000 for the Debt Service budget, as recommended by the Board of Selectmen.

VOTE: Unanimous

Improvements Other than Buildings Budget

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$1 for the Improvements Other than Buildings budget, as recommended by the Board of Selectmen.

Eleanor Davis questioned what this line item or budget is used for.

VOTE: 8 YES 1 NO [E. Davis]

Approval of Minutes

Committee members reviewed draft copies of the October 16, 2008, minutes.

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

There was no vote taken for this motion.

Denis Salvail suggested changing the word “administration” to “administrator” in two places on page two.

Eleanor Davis suggested revising the first sentence on page three to “Eleanor Davis noted that the bookkeeper opts to not receive retirement benefits by working less than thirty two hours per week.”

Denis Salvail suggested revising the last sentence on page eight to “There was general committee consensus to postpone the deliberation of the Advertising and Regional budget for clarification.”

Denis Salvail asked whether a town policy exists for computer and phone usage for personal use. Michael Capone responded that a general policy does exist and that review and possible revision has been placed on the “to do list”, as well as, a review of the personnel manual.

Denis Salvail asked whether the logging operation behind the Transfer Station has started. Scott Borthwick responded yes and noted that the Town of Canaan has received \$9,100 so far.

Eleanor Davis corrected the words “water and sewer plant” to “water treatment plant” on page ten.

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

VOTE: 8 YES 0 NO 1 ABSTAIN [R. Lester]

Chairman’s Report

David McAlister commented that the budget review process is in good order at this time.

Eleanor Davis commented that there are several budgets that have not been reviewed yet and are not listed on future agendas. David McAlister asked committee members to contact him if they see any omissions from the agendas.

Dave Barney suggested that the Board of Selectmen should notify the Advertising and Regional organizations if town funds are not being allocating to them for next year.

Selectmen’s Report

Scott Borthwick informed committee members that the tax bills have been mailed.

Scott Borthwick summarized that residential sump pumps are known to contribute to the issues regarding capacity and sewer hookups and that the sub pump at the Town Hall has recently been altered to no longer drain into the sewer line.

Scott Borthwick noted that office mats were purchased for the town offices in order to terminate the rug cleaning contract with UniFirst. Scott Borthwick explained that this will be a cost savings since there is already a hired cleaner who cleans the rugs in the town office.

Scott Borthwick summarized that the Board of Selectmen met with the ambulance staff again to review plans and a blueprint of a new emergency services facility building

proposal. Scott Borthwick explained that the Board of Selectmen only permitted a study of what grant funding may be available for such a project.

Scott Borthwick summarized that the Town of Canaan is currently advertising property for sale at 704 Canaan Street and will be using a sealed bid process.

Public Comment

Al Posnanski invited committee members to support the upcoming 4H Chicken Supper.

Dave Barney also informed committee members of the Veteran's Day ceremonies and luncheon next Sunday, Monday, and Tuesday.

Seeing no further business or questions, David McAlister adjourned the meeting at 10:30 P.M.