

**TOWN OF CANAAN  
BUDGET COMMITTEE MEETING  
June 17, 2010  
Canaan Fire Station  
Final Copy**

Members present: David McAlister; Dave Barney; Eleanor Davis; Denis Salvail; Russell Lester; Nathan Deleault; John Bergeron; Karen Wolk; and Scott Borthwick. Also present were Michael Capone, Steve Ward, Lola Baldwin, and Minute Taker Christi Berube.

David McAlister called the meeting to order at 7:02 P.M. and took attendance.

**Election of Officers**

**MOTION** by Eleanor Davis and seconded by Denis Salvail to elect David McAlister as Budget Committee Chair.

David McAlister commented that he would welcome another nominee for the chair position since his attention will be needed to care for an ill family member. David McAlister added that his acceptance of the position would require assistance from the vice chair and secretary positions.

**MOTION** by Russell Lester and seconded by David McAlister to elect Eleanor Davis as Budget Committee Chair.

Eleanor Davis commented that she would obtain and utilize an email account at the town office if she is elected for the chair position.

Dave Barney suggested that John Bergeron be elected as the Budget Committee Chair. John Bergeron responded that he would rather that board members support David McAlister's nomination.

**There were 7 YES votes for David McAlister; 0 YES votes for Eleanor Davis; and 2 YES votes for John Bergeron**

**MOTION** by David McAlister and seconded by Nathan Deleault to elect Eleanor Davis as Budget Committee Vice Chair.

Dave Barney suggested that John Bergeron be elected as the Budget Committee Vice Chair.

**There were 6 YES votes for Eleanor Davis; 2 YES votes for John Bergeron; and John Bergeron abstained from the vote.**

**MOTION** by Denis Salvail and seconded by David McAlister to elect Russell Lester as the Budget Committee Secretary.

**There were 8 YES votes for Russell Lester; and Russell Lester abstained from the vote.**

David McAlister commented that he relies on the valuable and trusted support of the vice chair, secretary, and minute taker positions for the benefit of the town.

**Approval of Minutes:**

Committee members reviewed draft copies of the January 14, 2010 minutes.

Dave Barney distributed wording that he would like added to page two of these minutes. Dave Barney summarized that his comments at the public hearing were mistakenly omitted from the minutes. David McAlister and Russell Lester responded that they reviewed the recording and did not hear anything different than what is already written in the minutes.

It was noted that the meeting recordings are available in the town office for review.

**MOTION** by Russell Lester and seconded by Nathan Deleault to accept the January 14, 2010 minutes, as written.

David McAlister reminded committee members to please refrain from creating background chatter and excessive movement during meetings since these noises are quite disruptive when listening to the recordings.

Eleanor Davis commented that the minutes of meetings do not require the level of detail that is being considered.

Scott Borthwick suggested that the approval of these minutes could be tabled until the next meeting so that committee members have an opportunity to review the recording.

**VOTE: 8 YES      1 NO [Dave Barney]**

Dave Barney requested that the wording distributed be included in tonight's minutes since he is certain that this statement is indeed what he had said at the public hearing: "There was discussion concerning the Selectmen refusing to pay funds budgeted for the Advertising and Regional Associations in 2009. Dave Barney spoke to DRA about this and was told that this was technically legal. He said that he would propose an amendment again this year to fund those agencies who had not submitted petitioned warrant articles for 2010 funding. The two lake associations were moved to parks and recreation."

Committee members reviewed draft copies of the March 4, 2010 minutes.

**MOTION** by David McAlister and seconded by Russell Lester to accept the March 4, 2010 minutes, as corrected.

It was explained that these minutes were transcribed and completed by a company in Texas since a local minute taker could not be obtained for this meeting.

Dave Barney noted four places where the transcriber confused the names of Bernie Waugh and Dave Barney on pages 23 and 25.

**VOTE: 6 YES; 1 NO [Dave Barney]; 2 ABSTAIN [Karen Wolk and Denis Salvail]**

### **Selectmen's Report**

Scott Borthwick noted that this will be Michael Capone's last Budget Committee meeting before his official resignation from the town administrator position in July. Scott Borthwick summarized that the Board of Selectmen have finished interviews for the town administrator position and have offered the position to an excellent candidate in a nearby town. Scott Borthwick noted that there were fifteen applications received for the position.

David McAlister commented that Michael Capone has been a godsend for the Town of Canaan. David McAlister added that it has been an absolute pleasure to work with Michael Capone and that Michael will be missed. David McAlister wished Michael well in the future. There was a round of applause for Michael Capone at this time.

### **CIP Presentation**

Steve Ward introduced himself and Lola Baldwin.

Steve Ward explained the CIP process used to project capital expenditures for the following six years. A capital expenditure is defined as any single item costing over \$5,000 or greater and has a lifespan of three years or longer. Steve Ward summarized that input has been sought from the department heads, the School Board, and the Board of Selectmen and that this meeting is an opportunity for the Budget Committee to share their thoughts regarding the CIP.

Dave Barney commented that the normal CIP process had ceased during the years of a default budget but that the intent is to have a better organized plan for this year.

Russell Lester commented that data on the age, warranty, condition, and life expectancy on the town's vehicles and equipment is necessary information for appropriate planning.

Scott Borthwick summarized that the Board of Selectmen has implemented a work order system for the towns' vehicles and that the Board of Selectmen requested written justification before the purchase of the last police cruiser. Scott Borthwick noted that the Police Chief's report was so well done and complete that the justification is being used as an example for the other department heads to follow. There was general discussion that this system enables town officials to know that older vehicles and equipment are being kept in good working order and may not need to be traded or sold despite their age.

John Bergeron commented that there has been a tendency to only focus on the upcoming year in regards to capital expenditures when the focus should be on the entire six year window of the CIP. Scott Borthwick added that the existing practice of approving small appropriation amounts for the capital reserve funds does not facilitate a realistic approach.

John Bergeron also commented that not enough attention is given to capital expenditures in regards to building maintenance. Scott Borthwick responded that the Board of Selectmen also implemented a work order system for building repairs.

Steve Ward noted that Bob Reagan has offered to contact officials at other municipalities to collect their perspectives regarding reasonable life spans for vehicles and equipment. This information will be compared to what has already been gathered from the local boards and department heads.

Nathan Deleault asked whether the cost of vehicles decrease with inflation. David McAlister responded generally yes but explained that the state of the economy is also a factor to consider.

John Bergeron suggested that consideration of any upcoming regulatory requirements in regards to buildings should be added to the CIP.

Eleanor Davis commented that the resale value of vehicles and equipment should not be of concern if the item is serving the intended purpose.

Dave Barney suggested that another look at a combined emergency management building be considered.

David McAlister commented that this discussion is a good start in a positive direction and that he appreciates everyone's effort regarding the CIP.

Eleanor Davis asked whether a CIP report will be available before the budget deliberations end this year. The general response was yes.

### **Revenues and Expenditures**

Committee members reviewed an updated revenues report dated June 8, 2010 and an updated expenditures report dated June 15, 2010. Michael Capone explained the formatting of the reports.

Michael Capone explained that the increased revenues recorded for the fire department is due to receipt of outstanding billing from previous years. Michael Capone summarized that most spikes in the accounting figures generally reflect corrections in the accounting or collections for previous years.

Dave Barney asked whether the State of NH is withholding the rooms and meals tax. Scott Borthwick responded that the rooms and meals tax is still intact for this year but that \$40,000 was lost in shared revenues.

There was general explanation of how the school district payments are determined and paid over the year.

Scott Borthwick noted that the Board of Selectmen is working to establish specific ordinances that will generate some revenue to help defer the costs for department services, such as insurance inspections and parking violations.

Eleanor Davis asked what the negative expense value represents in the police department budget. Michael Capone responded that the negative expense represents grant funds received for vests.

Nathan Deleault asked whether the budgeted amount for the police cruiser includes the outfitting. Scott Borthwick responded yes.

John Bergeron asked why the approved appropriations for the warrant articles have not been distributed. Michael Capone explained that the town's cash flow needs to be maintained in order to save approximately \$100,000 in interest from bond notes.

John Bergeron asked whether warrant articles need to be paid out this year. Michael Capone responded that the Department of Revenue Administration has confirmed that warrant articles do not need to be paid but that the funds can not be utilized for anything else. Scott Borthwick clarified that the Board of Selectmen's intent is to pay out the warrant articles as the town's cash flow allows over the rest of the year.

**Chairmen's Report:**

David McAlister welcomed Karen Wolk as a new member of the Budget Committee.

**Next Meeting:**

Committee members reviewed a handout of the proposed meeting dates for September, October, November, and December of 2010. David McAlister offered to draft agendas for these proposed meeting dates as to when department heads will be presenting their 2011 budgets.

**MOTION** by Denis Salvail and seconded by Scott Borthwick to adjourn the meeting at 8:52 P.M.

**VOTE: Unanimous in the affirmative**