

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
September 30, 2010
Canaan Fire Station
Final Copy**

Members present: David McAlister; Dave Barney; Eleanor Davis; Denis Salvail; Russell Lester; Karen Wolk; and Scott Borthwick. Also present were Town Administrator Mike Samson, Phil Carter, Tom Guillette, and Al Posnanski.

David McAlister called the meeting to order at 7:06 P.M. and took attendance. David McAlister noted that there is an updated spreadsheet to review for this meeting.

Cemetery Budget

Phil Carter distributed a handout of the proposed 2011 budget from the cemetery trustees. Phil Carter noted that a three percent salary increase has been included for the full time and part time positions. These proposed budget figures present an overall 4.3 percent cut in the budget.

Michael Samson noted that the retirement figures have been updated throughout the spreadsheet to reflect the increase in rates. Scott Borthwick noted that there is a lawsuit pending on this issue at this time.

Eleanor Davis commented that this year's expense for the lawnmower needs to be adjusted by the Board of Selectmen since the expense should be taken from the equipment line item.

Karen Wolk asked whether a \$1,000 cut in the cemetery budget is sustainable. Phil Carter and Eleanor Davis explained that needed supplies such as motor oil, filter, blades, and weed wacker string have already been purchased and stockpiled for next year.

There was general discussion that the funds allocated in the contracted services line item in the past has been for tree work and mileage reimbursement.

Phil Carter noted that hard pack has been added to some of the roadways in the cemeteries.

Mike Samson noted that there are fifteen line items that will be over budget at the end of the year but that the overall budget will be in fine shape.

Insurance Liability Budget

Mike Samson summarized that there is a six percent increase for next year. Mike Samson explained that the cost of the insurance is based on the amount of town owned equipment. Mike Samson also noted that this year's total cost for insurance will be closer to \$44,000 rather than the \$47,000 that was budgeted.

There was general discussion regarding an assortment of vehicles, construction equipment, and trailers on Harvey Lane that the Board of Selectmen is receiving legal advice on in order to seek

possession in lieu of unpaid property taxes. It was noted that the vehicles and equipment were checked and are titled to the property owner.

Mike Samson noted that the retirement line items throughout the budget have been increased to reflect the increased rate.

Scott Borthwick noted that the Board of Selectmen is not considering any salary increases for the Board of Selectmen in their proposed budget at this time.

Mike Samson summarized that the salary for the assistant tax collector position has been increased in hours and modestly in pay to \$7,500 in order reflect completed training.

Mike Samson noted that Gloria Koch has increased her hours by three hours for next year. There was general question whether she is will be eligible for benefits with the increase in hours.

Mike Samson noted that he has included a three percent increase in the Budget Committee support line item, as requested at the last meeting.

Mike Samson explained that he reduced the first line item of the data processing budget from \$14,000 to \$11,500 since some of the support services are no longer needed.

Mike Samson noted that bids for heating oil, gas, and propane will be received in the near future but that he feels confident in being able to reduce last year's budgeted amounts based on the fuel rates that are being discussed.

Mike Samson summarized that the Board of Selectmen has sent a letter to the area and regional agencies that requests them to seek petition warrant articles if they are looking for funding for next year. There was general discussion that the Board of Selectmen will send contributions to the area and regional agencies that the voters approved as petition warrant articles. Mike Samson noted one response has been received so far from the Mascoma Visiting Nurses.

Denis Salvail arrived at 7:40 P.M.

It was noted that the lake association funds are included in the recreation budget and should not appear in the area and regional agencies budget. There was general consensus that a written request for funds should be submitted from the lake associations. NHMA dues are included in the legal budget and should not appear in this section of the budget.

Bridge Inspection Budget

There was general discussion that the River Road Bridge has been finished and that no projects are scheduled next year but there is general consensus to keep the line item open with one dollar. Scott Borthwick commented that River Road Bridge was funded by state and federal funds.

Street Lighting Budget

Mike Samson summarized that there will be over-expenditure in this year's street lighting budget and that there has been no change in the number of street lights this year. Scott Borthwick

explained that the street light inventory has been completed and that there has been initial discussion with National Grid about removing nonessential street lights and poles but that there has been limited cooperation.

Eleanor Davis commented that the lights at the horseshoe pits and the path along Williams Field should be removed.

Mike Samson informed committee members that he has met recently with police and fire officials to collect their feedback regarding essential and nonessential street lighting and that the scheduling of a public hearing would be the next appropriate step in the consideration.

Health and Building Inspector Budgets

Mike Samson summarized that the health and building inspector budgets are essentially level funded except for the salary increase.

Cultural Budget

There was general explanation that the cultural budget is for Old Home Days expenses.

Patriotic Budget

There was general consensus to leave this budget open with one dollar.

Debt Service Budget

Mike Samson summarized that the debt service is significantly reduced due to the repayment of the USDA grant funds. Mike Samson explained that the funds for the tax anticipation notes have been moved to the contingency account.

Welfare Budget

Mike Samson summarized that the welfare budget has been essentially level funded except for the salary increase. Mike Samson noted that the rent assistance line item was under expended this year so there has been general agreement to move \$500 from this line item into the contingency account.

Mike Samson explained that the purpose of the contingency account is to create a cushion for any unexpected expenses that legally need to be done followed by expenses that could provide long term benefit to the residents and then followed by any discretionary expenses such as road maintenance. Mike Samson noted that more than half of the contingency account consists of highway items in case the block grant is not received next year.

Transfer Station Budget

Scott Borthwick noted that there is a salary savings since there has been a new hire. Mike Samson explained that he has reduced the line item for hauling costs since he believes that a tandem pull system would generate an overall savings. However, the difference in budgeting for next year compared to this year has been placed in the contingency account. Mike Samson offered to visit Campton, NH, to see how using live floor trailers instead of forty-foot boxes may generate

additional savings. Mike Samson also offered to borrow a pop trailer so that the town can try the tandem pull system.

Eleanor Davis questioned whether the accounting for the electricity line item is accurate for the transfer station.

Mike Samson explained that the hauling of recycled materials has been increased from \$9,000 to \$14,500 but that it is significantly less expensive to haul recycled materials compared to hauling trash to the Lebanon landfill because of the revenue generated from recycled materials. Mike Samson commented that there is a need to increase the general public's awareness of the town's recycling effort. Mike Samson noted that a contract for paper recycling has been arranged with Cardigan Mountain School.

There was general discussion that the special reserve fund of approximately \$6,000 is for upgrades and improvements at the transfer station but that voter approval is needed to use the funds. There was also general discussion regarding the advantages of setting up a "swap shop" at the transfer station to help reduce the hauling loads.

Al Posnanski asked whether there has been any reconsideration of not reducing the transfer station budget. Mike Samson responded that he is setting an example for all of the department heads that a concrete plan is needed before any wish lists are added to the operating budget.

Ambulance Budget

There was general explanation that next year will be part of the three year contract that has already been approved.

Eleanor Davis expressed concern that funds for a multi-year contracted service can not be added to the budget without consent of the voters. Scott Borthwick offered to look into the concern.

General Government Budget

Mike Samson summarized that a study has been completed and the Board of Selectmen have decided to switch two thirds of the telephone lines to Voice Over Internet lines for an overall cost savings. Mike Samson added that the line items for office supplies and postage costs have been increased. There was general question whether the new printer was accounted for in the equipment line item or the office supplies line item. Mike Samson offered to check.

Water and Sewer Budgets

Mike Samson summarized that the operators have said to level fund the water and sewer budgets.

Approval of Minutes:

Committee members reviewed draft copies of the September 16, 2010 minutes.

MOTION by David McAlister and seconded by Dave Barney to accept the September 15, 2010 minutes, with corrections.

Dave Barney suggested removing the phrase “excluding the Budget Committee members” and adding “town paid positions” on page one. Dave Barney also suggested clarifying Sharon Duffy’s name on page two. Dave Barney added that he had requested past copies of minutes but that the minutes do not reflect his request.

Eleanor Davis suggested changing “weeks” to “days” and “2009” to “2010” on page one.

Karen Wolk corrected the word “offset” on page three.

The motion was unanimously approved.

Chairman’s Report

David McAlister commended the committee for their efforts in reviewing the budget.

Selectman’s Report:

No report was provided at this time.

There was general discussion and consensus to schedule a short meeting on October 7th but that the Board Chair will need to check whether a quorum of committee members will be present.

Dave Barney informed committee members that there is a forum scheduled next Tuesday regarding a broadband mapping project and that the Capital Improvement Plan recommends the town’s involvement in this project.

It was noted that Craig Lawler has missed four consecutive budget committee meetings and there was general consensus that his position should be advertised as a board vacancy.

MOTION by Denis Salvail and seconded by Scott Borthwick to adjourn the meeting at 8:59 P.M.

The motion was unanimously approved.