

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
October 7, 2010
Canaan Fire Station
Final Copy**

Members present: David McAlister; Eleanor Davis; Denis Salvail; John Bergeron; Nathan Deleault; and Scott Borthwick. Also present were Town Administrator Mike Samson, Beth Wolfe, Amy Thurber, and Tom Guillette.

David McAlister called the meeting to order at 7:07 P.M. and took attendance.

Library Budget

Beth Wolfe informed committee members that the final phase of the library renovation project is underway. The project was started in 2002 and the staff is pleased with the results. Beth Wolfe distributed and summarized handouts regarding the proposed 2011 budget, the library services available, the number and breakdown of the library patrons, and the monetary contributions from other sources.

Beth Wolfe explained that the contracted services line item has increased for the computer consultant that is shared in the town. The supplies line item has also increased since the water usage is now being included in the library budget. Beth Wolfe added that the allocation for the book line item will remain at the same level but that the audio/video line item has been increased since there is more demand for these items. Amy Thurber later clarified that the majority of the increase is to have access to the state library for audio/ video items.

It was suggested that a written request for a financial contribution toward the Canaan library should be sent to the Town of Dorchester. There was also general explanation that the family that administers the Brundage Foundation resides in the Town of Grafton.

John Bergeron noted that the benefits, FICA/Medicare, and retirement line items will increase approximately \$500 from what is being presented in the budget spreadsheet if the salaries are increased for 2011.

There was general question regarding the bank charges line item and what funds in this line item would be used for.

Recreation Budget

Tom Guillette listed the members of the Recreation Committee and explained that he is presenting the budget that the committee is proposing. Tom Guillette explained that the recreation budget includes funds to maintain the fields, the horseshoe area, the beach, the playground, the park, and the common. Tom Guillette summarized that the goal of the Recreation Committee is to establish a \$30,000 budget for a recreation program that will be self-funding within the next several years. Tom Guillette explained that there are volunteers available next year to be able to offer youth baseball, field hockey, soccer, and flag football but that these volunteers should not be expected to

provide the supplies. Tom Guillette noted that modest participation fees will need to be charged for next year.

Eleanor Davis asked whether funds from the Williams Field Trust would be available. Tom Guillette explained that funds can be formally requested for purposes directly related to Williams Field, which does not include the playground. Tom Guillette added that the Williams Field Recreation Committee was responsible for erecting the lights on the field and that this group has just used up the last of their funds on field aeration.

Eleanor Davis commented that the tax payers have already authorized \$7,000 in a special reserve account for Williams Field, which is earning interest. Tom Guillette acknowledged that he is aware of these funds and that he is looking into the specifics of whether these funds can be utilized.

Tom Guillette summarized that a parent group is interested in fundraising and establishing non-profit status or a revolving fund for improvements and upkeep on the playground.

Tom Guillette explained that the \$8,000 allocated in the part time salary line item of the government buildings budget originated from part time help needed in the recreation budget for trash removal. The expenditure has now been increased to include part time help for uncompleted projects in government building budget, in addition to the trash removal.

It was noted that the two contributions listed for the lake associations within the recreation budget should be \$2,000 each. Mike Samson suggested that the annual statements should be reviewed since not all of the funds have been spent in the past. There was general discussion whether the funds allocated to the lake associations were intended for trash removal, in addition to public education and the host program to prevent the spread of milfoil. Eleanor Davis expressed that the violators and users of the lakes should be funding the host program and not the taxpayers of Canaan.

There was general question whether the \$12,102 total for the recreation budget is corrected or whether an adjustment needs to be made.

Eleanor Davis suggested that the local restaurants should be asked to donate funds to the town for trash removal in public spaces since it is their patrons who are leaving trash at the playground and the taxpayers should not be responsible for it.

There was general discussion that several mattresses have been left on town property from the past lawn sale. Mike Samson offered to contact the organizer of the lawn sale since they should have record of who would be responsible for properly discarding them.

Contingency Budget

Mike Samson explained that the contingency budget is a new department heading that he has created for all discretionary funds that have not been spent in past years. These funds have simply been shifted from the department head budgets and will be used to purchase needed items in case of emergencies. This budget includes fire department funds for dry fire hydrants and possible

repair funds for the Engine Three pump truck if a warrant article for another truck is not approved by the voters.

Scott Borthwick noted that another purchasing opportunity for a demonstration fire truck will be available next March and that the town has some funds available in the reserve fund but that voter approval will be required.

There was general committee concern expressed that the Board of Selectmen will not be required to spend these contingency funds as they are intended. General discussion ensued that expenses that are not properly accounted for in the budget can gradually inflate the department budgets over time. Mike Samson acknowledged that accounting errors can happen but that he corrects errors as he is able to identify them. Mike Samson explained how the funds in the contingency budget will be reallocated in the last quarter of next year in order to balance any line items that may need to be over-expended due to an emergency.

Mike Samson summarized that the contingency budget also includes police department funds for overtime compensation and backordered supplies, such as ammunition. Mike Samson explained that there is a need to change a software system at the police department in order to help hold down the cost of overtime compensation. Several committee members expressed concern that the town's residents are expecting a level of service that the taxpayers can not afford. Scott Borthwick noted that the Board of Selectmen has collected feedback from the Police Chief and Fire Chief to better understand what kinds of calls should be regulated by ordinances and fines.

Mike Samson summarized that road reconstruction, salt and gravel, diesel fuel, and overtime compensation costs are included in the contingency budget for the highway department.

The contingency budget also includes funds for trash hauling and trash disposal. Mike Samson noted that he is still negotiating with Tim Lewis regarding the use of tandem pulls. Mike Samson also noted that he is looking at a more cost efficient system that is currently being used in Campton, NH. Mike Samson summarized that town officials are hoping for a ten percent increase in recycling efforts in order to reduce the trash disposal costs. Mike Samson added that the Lebanon's tipping fees will most likely be lowered in order for them to remain competitive in the market.

Mike Samson summarized that \$2,000 has been shifted to the contingency budget for fuel oil and propane in case rates or usage exceeds projections. Mike Samson noted that the funds include in the operating budget are based on actual usage plus ten percent and then multiplied by the highest quotes received.

Mike Samson summarized that he has also shifted funds from the legal, welfare, debt service, and emergency management budgets to the contingency budget since allocated funds in specific line items have not been utilized in the past.

Data Processing/ Hardware and Data Processing Support Budget

Mike Samson summarized that the cost for a Voice over Internet system has been taken out of the proposed budget since the Board of Selectmen has already approved the expenditure from this

year's budget. Mike Samson explained that new Internet connections are needed at the town office, the town garage, the highway department, and the fire department; that a town owned computer is needed at the Fire Department; and that a new server is needed at the Police Department. Mike Samson summarized that these upgrades will enable the departments to communicate more effectively and enable the town to better communicate with the public. Mike Samson also noted that a blanket municipal license is needed for an updated copy of the Microsoft Office software. Mike Samson also suggested an updated version of Microsoft FrontPage so that the town's website can be updated and improved.

Mike Samson noted that the allocation on the data processing software, hardware, and support line item needs to be corrected to \$13,500 since he made an error.

Capital Outlay Budget

Mike Samson summarized that the capital outlay budget has been reduced slightly to reflect the true cost for a new police cruiser.

Police Department Budget

Mike Samson noted that the retirement line item has been recalculated and has been reduced from \$67,000 to \$50,000. This decrease will help to offset the increase in the health insurance costs due to a personnel change to a family plan and the new federal mandates regarding autism and older dependant children. Mike Samson summarized that he will be meeting with the department heads again to consider various options that could be used to help minimize any increase to next year's operating budget.

Mike Samson commented that flexible spending accounts have been inquired about for the town employees. Also being considered is whether the part time employees can have an option of participating in the town's insurance plan at their cost.

General discussion ensued whether it is appropriate for the taxpayers to be paying for the insurance premiums for the families of the town's employees when businesses are shifting more of the insurance premium costs to their employees.

Approval of Minutes:

There was no review or approval of minutes at this time.

Chairman's Report and Selectman's Report:

David McAlister noted that the next meeting is scheduled on October 21st.

MOTION by Denis Salvail and seconded by David McAlister to adjourn the meeting at 9:17 P.M.

The motion was unanimously approved.