

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
November 4, 2010
Canaan Fire Station
Final Copy**

Members present: David McAlister; Dave Barney; Al Posnanski; Russell Lester; Eleanor Davis; Denis Salvail; John Bergeron; Nathan Deleault; Karen Wolk; and Scott Borthwick. Also present were Town Administrator Mike Samson, Bob Reagan, Marcia Wilson, and Tom Guillette.

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

David McAlister explained that this meeting is to review the Board of Selectmen's proposed budget for 2011.

Scott Borthwick summarized that the Selectmen's budget has received very few modifications from what the department heads agreed to and from what the Budget Committee has already reviewed. Scott Borthwick explained that the Board of Selectmen would prefer to request the police cruiser as a warrant article since the premiums for health insurance costs have increased approximately \$55,000 and the intent is to keep the operating budget as low as possible.

Scott Borthwick commented that tax bills were mailed and that the overall tax rate has decreased three cents since the school district returned a surplus from federal stimulus funds. Scott Borthwick clarified that the increase in the county tax rate is due to the construction of the new jail and that the tax rate will continue to increase for that purpose for the next three years. Scott Borthwick noted that a three percent salary increase has been included in this proposed budget for the town employees. It was noted that the Police Chief's salary has not been corrected in the department head column to what the department head had submitted for a salary figure.

Scott Borthwick clarified that the proposed \$8,000 for part time help in the government buildings budget was removed. Marcia Wilson explained that the \$8,000 had been recommended by the Recreation Committee to provide seasonal assistance to Tom Guillette. Scott Borthwick added that the town purchased a zero turn radius lawn tractor which should decrease the amount of time needed to mow lawns and allow him more time to work on the list of building projects.

Dave Barney noted that the name of the Goose Pond Lake Association needs to be corrected in the operating budget. Dave Barney asked why the association's request for \$2,000 has been reduced to \$1,800. It was noted that the Canaan Lake Association requested \$1,800. Budget committee members requested that the \$1,800 figure be corrected in the department head column to \$2,000.

John Bergeron reminded committee members that the Friends of Canaan Street requested funds in the operating budget for the upkeep of the bathhouse, which has not included in the proposed budget yet. Scott Borthwick commented that the request needs to be presented to the Recreation Committee for their recommendation. Scott Borthwick added that the memorandum of understanding needs to be reviewed regarding the bathhouse since the organization is responsible for some of the upkeep costs.

There was general consensus to add the \$500 for the bathhouse upkeep to the maintenance and repair line item of the recreation budget. It was also noted that the department head figure proposed for the Police Chief's salary was \$62,308. Committee members proceeded to calculate the adjustments needed to the budget totals as a result.

John Bergeron suggested a warrant article that authorizes the Board of Selectmen to remove street lighting. Scott Borthwick responded that a public hearing needs to be scheduled to collect feedback but that a warrant article will probably be presented to the voters. Mike Samson suggested that the funds to remove street lighting should be taken from the contingency budget.

It was noted that the area and regional advertising organizations will need to submit warrant articles if they are seeking funding from Canaan taxpayers.

There was general discussion whether there should be a split in the requested amount for the highway capital reserve fund for trucks versus heavy equipment. Mike Samson commented that the tax payers have historically supported whatever the Budget Committee has recommended. Mike Samson noted that there has historically been \$200,000 to \$400,000 in the undesignated fund balance. Mike Samson reasoned that an \$80,000 request to use funds from the undesignated fund balance could get the taxpayers use to funding all equipment replacements from the undesignated fund balance. Mike Samson commented that this practice could easily maintain the equipment and the capital reserve funds for the next ten to fifteen years if there are no emergency situations.

Eleanor Davis commented that she has a hard time supporting warrant articles for the capital reserve accounts without recommendations from the Capital Improvement Plan Committee and the town mechanic and without knowing the existing condition of the equipment already owned.

Eleanor Davis commented that the highway department should establish special revenue funds once the CIP is established. Mike Samson responded that moving funds from the undesignated fund balance with voter approval to the capital reserve funds would accomplish the same task.

Bob Reagan commented that any department head request to replace equipment will be required to submit a complete report on the condition of the equipment, which can include quotes from outside sources.

Al Posnanski asked why there is a significant increase in the electricity line item of the transfer station budget. Mike Samson responded that the amount budgeted reflects how the usage is being billed but obviously there is a mix-up with the wastewater plant perhaps, which needs to be corrected for next year. Eleanor Davis suggested that the extra usage may account for some street lighting.

Mike Samson explained that he has reduced the contingency for the transfer station since this year's actual costs do not support the need for additional funds. Mike Samson added that he is hoping to be able to use surplus funds at the end of this year to complete needed renovations and updates at the transfer station.

John Bergeron asked why nothing has been spent on tire disposal since there are many tires stockpiled at the transfer station. Mike Samson agreed that this situation needs to be addressed.

Dave Barney asked what the \$500 for site improvements at the transfer station will be used for. Mike Samson responded for signage and concrete blocks.

Eleanor Davis asked whether the \$5,000 buyout for the employee health insurance applies to a single person plan and the family plan. Mike Samson clarified that only \$5,000 is offered and that the employee must opt out of all plans in order to receive the buyout. Mike Samson added that the buyout is considered taxable income.

Approval of Minutes:

There was no review of minutes at this time.

Chairman's Report and Selectman's Report:

There were no reports provided at this time.

David McAlister noted that the next meeting is scheduled on November 18th.

John Bergeron requested a list of the area and regional agencies who have confirmed that they will be submitting a warrant article for next March.

David McAlister requested an updated budget worksheet with all of the needed corrections to the department head column.

Eleanor Davis asked when the next Deliberative Session is scheduled. Mike Samson responded February 5th in the afternoon. Eleanor Davis noted that the deadline for the Budget Committee's public hearing is January 18th and that the deadline for petition warrant articles is January 11th. Eleanor Davis suggested January 13th for the Public Hearing date.

Eleanor Davis commented that she would like to review the default budget before the Budget Committee votes on the proposed operating budget.

Public Comment

Al Posnanski announced that the 4-H Camp Chicken Pie supper is this Saturday from 5 to 7 P.M.

Dave Barney noted a Veterans Day program at the elementary school at 1:30 P.M. Dave Barney added that on Wednesday veterans are welcomed to a free breakfast at the Lebanon Legion Post, Veterans Day program at the senior center in Canaan, and free meals for veterans at the Applebee Restaurant.

Scott Borthwick noted a flag retirement on November 14th at 2 P.M. with the Boy Scouts with a bread and soup supper.

MOTION by Russell Lester and seconded by Dave Barney to adjourn the meeting at 7:50 P.M.

The motion was unanimously approved.