

Canaan Budget Committee Meeting
Thursday, September 18, 2014
Canaan Fire Station, Canaan, NH

Attendees: Budget Committee members: John Bergeron, William Crowther, Ellie Davis, , Al Posnanski, , Denis Salvail, Philip Smith Jr., Sadie Wells; Budget Committee members not in attendance: Scott Borthwick, Patty Duszynski, Martha Pusey. Public attendees: Dave McAlister, Phil Carter. Canaan Town Administer Mike Samson.; recorded by Roger Lohr.

Final Minutes

1. Call to Order

Committee Chair Ellie Davis called the meeting of the Canaan Budget Committee to order at 7:00 PM

2. Cemetery

Phil Carter, Cemetery Trustee distributed a document for the cemetery entitled 2014 Budget vs Actual and reviewed the details. The \$2,500 increase in contracted services is to continue the GPS/name mapping of the town cemeteries. There is currently \$9,600 remaining in the cemetery account for the remainder of the year. Work has been accomplished to remove some trees and next year work can begin on stones.

3. 2015 Proposed Budget Overview

Town Administrator Mike Samson distributed three documents including a narrative of the significant budget variances, the 2014 Revenue Budget, and the 2014 Budget vs Actual for town expenses.

The 2014 budget is projected to be \$100,000 higher, which is a 3% increase above last year's budget but there is no increase in the tax rate expected. The expense increase and fully funding the capital reserves will be offset by anticipated non tax revenues. It is also projected at this time that the 2016 budget will also be covered without a tax rate increase.

Significant savings are projected on health insurance (lower premiums) of about \$53,000; swapping two part time police department employees (hiring one full time policeman) \$26,000; debt service, which has been paid off \$15,000; and capital equipment paid last year \$88,000.

Town Administrator Samson then reviewed budget items that were in variance more than \$2,500 above last year's budget. The key aspects of this list included an increase in the town administrator salary \$6,000; town attorney for the utility case \$40,000; additional full time policeman \$52,000; retirement required by state law \$13,000, air tanks for the fire department half of a two year payment schedule \$43,200; Sinking Fund for Bridges to be replaced in 6-8 years \$35,000.

All payroll will be increased by the July CPI of 2% and the AFCSME contract is not yet negotiated. Increases for insurances and fuel are expected to go up 5-7%. The full time policeman is needed for investigation and prosecution courtroom activity and part time policemen are unable to do this work. This police type of activity has increased 100% and new activity in this area is about 1,000 hours per year.

Hauling of recycled materials was referenced and it was felt that the markets are more stable and the town could save by hauling recyclables. The salt used for icy roads was discussed. The town mechanic is over budget but that entailed mostly repair work. The highway department electricity expense is high during the winter and the town will figure out an alternative way to keep vehicle engines heated. The recreation program is shared with another town and it has had many participants so it will continue to be supported. A report about recreation will be brought to the Budget Committee.

The Revenue Budget was explained in detail and it is at \$3.169 million to date, which is \$147,000 above budget. This does not include the growth on taxes, which also continues to increase. Administrator Samson then reviewed the significant variances in the revenue budget.

The Motor Vehicle tax is anticipating an additional \$20,000; the highway block grant will be \$9,000 more; there was a mistake in the Water Pollution Project which will net a reimbursement of an additional \$24,000; FEMA funds from the flooding \$38,540; other insurance refunds \$23,000; Lien sale premiums are from delinquent tax interest and penalties \$20,000; and cemetery reimbursement \$3,000. The total of the extra revenue added to the undesignated fund balance is \$146,554. The 2015 budgeted revenue is \$3.659 million and there will be an anticipated carry over of about \$126,000.

Administrator Samson then reviewed the Water and Sewer account. The town is in compliance with water conservation regulations and it was reported that consumption has declined by 15% (empty homes and fewer user fees received). The budget will be scaled back and \$50,000 will be sequestered to account for the decline of water use and leave a positive balance in the account. The budget was cut by \$17,000; the revenue from septage was increased \$8-12,000; and the appropriation for coverage was increased with \$30,000 in reserve.

Additionally, it was stated that a part time staff person is contracted in the budget to cover weekend and vacation periods. There will be no increase in water/sewer rates.

4. Other Discussion

Town Administrator Mike Samson and Committee Chair Ellie Davis discussed the upcoming committee agendas. The Committee meeting schedule for the upcoming year was reviewed: October 2 and 16, November 6 and 20, and December 4 and 18. On Wednesday, January 14, 2015 the Budget Committee will meet to vote on the Warrant Articles and then on Thursday, January 15, 2015 the Budget Committee will hold a public hearing.

5. Adjournment

Al Posnanski made a motion which was seconded by Denis Salvail to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 9:00 PM.