

Canaan Budget Committee Meeting
Thursday, November 2, 2017
Canaan Fire Station, Canaan, NH

Attendees: Budget Committee members: John Bergeron, Patty Duszynski, Stephen Freese, Al Posnanski, Mike Riese, Denis Salvail, Philip Smith Jr., Sadie Wells;
Town staff: Mike Samson, Tom Marlar, Bob Scott. Committee members not attending: Ellie Davis, Jamie Jukosky.

Approved Minutes

1. Call to Order

Committee Secretary Sadie Wells called the meeting of the Canaan Budget Committee to order at 7:00 PM and took attendance.

2. Minutes Approval

Sadie Wells made a motion which was seconded by John Bergeron to approve the October 19, 2017 Canaan Budget Committee meeting minutes as submitted and amended. The motion passed 7-0-1 (Smith abstained). The changes included adding Dave McAlister to the attendee list and changing the vote numbers to reflect 9 committee members.

3. Changes to the Proposed 2018 Canaan Budget

Town Administrator Mike Samson reviewed the changes that were made to the proposed budget after the personnel changes related to the highway department. The town select board has approved the proposed budget, but there will be additional changes such as health insurance.

The personnel budgets were changed in the Government Buildings and Cemetery accounts so that the highway staff could work on the roads in the winter and in the other departments in the other seasons. In the cemetery budget line, a part time employee will be replaced and a full time person will be added. The health insurance is currently \$425,000 in the Personnel Administration line.

The Data Processing line was reduced by \$1,000. Personnel Administration was about \$2,000 more for next year on worker's compensation. The Government Buildings budget and Cemetery budget were changed to include the highway personnel. The building cleaning was moved out of the Government Buildings account.

The Mechanic budget was discussed. More repairs had been done in house rather than sending jobs out, which saved about \$21,000. The Mechanic petroleum products line also was reduced substantially. Overall the Mechanic budget was reduced by \$13,000 due mostly to the new mechanic.

The highway salary and retirement were reviewed. Road salt was reduced to \$40,000. Street lighting rates have increased. The Transfer Station budget was reviewed with the hazardous waste line increased. There is a proposal from Orange to use the Canaan transfer station that will need to be finalized. Some considerations on the transfer station

include earlier hours and bulky waste collection. The fee set up is being looked at and there is a scale acquisition in the CIP. An increase in revenue associated with the transfer station is anticipated. A chipper was moved from the operating budget to Capital Reserve.

The total increase to the proposed budget was \$96,000 or a 1.71% increase to taxes. Capital reserves and social services will also impact Canaan taxes. There is a need for more funding for buildings (improvements, expansion) in the CIP.

Samson spoke about the fire department facility, which needs more storage area and he cited the fire truck and equipment line items. The amount \$4,183,000 less capital reserves and revenue of \$3,739,000 means that there is \$264,000 needed to be raised. Of that amount \$215,000 will be from undesignated or unplanned revenues so the total needed to be raised is \$49,000. With current growth from, for example permit fees, there will be another \$22,000 in revenue so that the real amount needed is about \$26,000.

Samson spoke about the tax rate in Canaan, which has been flat for about 10 years. The school tax rate increase will be low this year and there is a surplus. Samson explained how using too much of the surplus can impact future budgets. He also spoke about tax rebates related to the Cardigan Mountain School solar array in the amount of \$30,000 that needs to be addressed.

4. Library and Water/Sewer Budgets

Mike Samson cited the Library account where payroll has been brought in line for about \$2,000 and reviewed issues related to the Water/Sewer budget, which is \$184,000. Samson then spoke about the history of the Canaan water/sewer services and that the town has the capability of a bond for emergencies, which of course would need to be paid off. He explained the value of setting up a capital reserve fund that is funded by user fees. This year he expects there to be \$27,000 available to put into the Water/Sewer Capital Reserve fund. He explained electricity savings in the Water/Sewer operations.

5. Discussion Regarding Staff Salary

Town Administrator Samson referenced savings related to the town fire department and mechanic operations. He also cited the Hurricane Irene response time and lack of overtime needed to address the damage in town. He cited the trash/recycling operation in Canaan and entrepreneurial methods used to get things accomplished less expensively without using outside companies.

The committee discussed the department head salary issue compared to other towns and how much more it will cost to find employee replacements after retirements. The Select Board passed the decision on salaries to the Budget Committee, but some members of the committee felt that it would be good to review statistics to consider salary issues. Samson stated that the Canaan highway department head salary level was among the bottom third of comparable towns. The position would be \$60-65,000 if it needed to be filled today. The police chief and town administrator positions will also require much higher salaries to attract experienced people when they are replaced. It was stated by a committee

member that the town administrator is very competent and that his recommendation was to be respected.

John Bergeron made a motion which was seconded by Al Posnanski to approve a 5% adjustment for the Highway Department head and 3% for other employees, and explore the salary situation for the next annual budget. No vote was taken.

Denis Salvail amended the motion, which was seconded by Phil Smith for the Proposed 2018 Canaan Budget to include a 6.6% salary increase for the Highway Department head and 3% for the other town of Canaan employees. The motion passed 6-0-2. (Bergeron, Posnanski abstained).

6. Adjournment

Sadie Wells made a motion which was seconded by John Bergeron to adjourn the meeting. The motion passed 8-0-0. The meeting was adjourned at 8:30 PM.

The next meetings of the Canaan Budget Committee are scheduled for December 7 and 21.