

**CANAAN BOARD OF SELECTMEN
MEETING MINUTES
Tuesday, December 27, 2016**

Scott Borthwick called the open meeting to order at 7:00 PM at Canaan Hall. In attendance were Selectmen Scott Borthwick, David McAlister, Al Posnanski and TA Mike Samson. Other Selectmen were Steve Bjerkle, Dorchester Board of Selectmen. Others as signed in and attached.

Scott Borthwick introduced the meeting by saying that this was a meeting for Selectmen from other towns to consider what if anything to do about significantly increasing school tax rates and lack of direct accountability to voters.

It was noted that there was only one additional Selectman in attendance.

Samson did a brief review of the December 6th meeting. He indicated that the primary motivation for Canaan to start the discussion was a 44% increase in the school tax rate over the last three years. It is now 6th highest in the State. He noted that the bond was only about 8% of this increase. The remaining 36% was due to increases in the school operating budget. There was general discussion of default budgets and allowable costs and how much of the budget is really negotiable. Samson indicated that while contracts make up a large share of the budget, all items can be managed to find more cost effective ways to provide education. He noted that the two suggestions on the agenda for tonight would not impact teachers or students but would allow for more accountability and a more balanced cost allocation formula. Samson referred to Dave Shinnlinger as representing the concerns of teachers as Union President. David countered that Samson had no idea what positions David held. Samson admitted that he had assumed that David was in fact a proponent for teachers' compensation and benefits.

7:30 PM He indicated that aside from the budgets themselves, there were two structural issues.

All of the costs are allocated by population and when as few as 5 to 10 additional students are added, the Canaan taxes go up by \$100,000 to \$200,000. For a small Town like Dorchester, five additional kids this year increased taxes by a little less than 33%. Part of this formula's problem is that it doesn't factor in the ability to pay. Because Enfield and Dorchester have almost 50% more taxable property than the other three Towns, an increase in expenses results in a much smaller tax rate increase. Canaan's rate is \$20 per thousand and Enfield's rate is \$15 per thousand. This difference isn't due to pupil count as Canaan has 480 students and Enfield has 483 students. The difference is because Enfield has \$1,095,000 in property value and Canaan has \$700,000 in property value per student. There is no factor in the formula to account for ability to pay. Two thirds of the other 32 Cooperative School Districts have a formula that considers allocation by pupils and property value per pupil. Samson also indicated that it was difficult to verify residency of pupils in a town. Stella Butterfield indicated that this has never been a problem and Terri Purcell has always verified residence. Samson indicated that Stella should check with Terri. Terri is finding it very difficult to verify the residency of students in rental properties. Samson indicated that 163 of the 400 students in Canaan are in rental property. Steve Bjerkle of Dorchester agreed that this is a problem. Samson noted that Orange and

Grafton at the last meeting agreed that this was a problem. Part of the issue may be the communication system with the SAU office. Ellie Davis offered historical perspective on how the funding formulas have changed.

The second structural problem is that school board members are elected at large. That means that the voters of all five towns elect the School Board member from Dorchester or Grafton. There is little accountability by a Canaan School Board member to the voters of just Canaan. In fact in a recent election, the voters of Canaan elected one candidate but the rest of the district voters elected a different candidate. Samson indicated that there were several ways that School Board members could be elected but in every case, the election and voting strength of the elected board member must reflect the principle of one man one vote where the votes cast on the School Board carried equal proportional weight to population. At large voting is used to accomplish this but there are other ways. Samson reviewed three different plans based with two based on students and one based on town population. In all three, the relative voting weight changed significantly for four towns. Canaan and Enfield became more powerful and Orange and Dorchester became much less powerful. Dorchester stayed roughly the same. Canaan now has two seats with 14% each, Enfield has 2 seats with 14% each and Orange, Dorchester and Grafton have one seat each with 14% each. If the seats were weighted by population, Dorchester and Orange would drop to 3 to 4%, Dorchester would drop to 12% and Enfield and Canaan would increase to 37% and 44% respectively. The advantage would be that the Board members would be elected just by the voters of their towns. The disadvantage is that the large towns might want to dominate the small towns. Samson indicated that there was no obvious way to allow for more weight for the small towns without either violating one man one vote or using at large voting (which probably also overpowers small towns).

Samson said that the other solution was to have the Selectmen in each Town become more proactive and work to get people to run for the School Board who were willing to put in the time and had the willingness to explore every funding and service option in enough detail to try and craft more effective solutions. It would require enough understanding and willingness to question facts, assumptions and plans with the goal being more cost effective and better performing education and support services. Steve Bjerklie indicated that it is up to the voters to do that. Samson indicated that frequently no one believes change is possible and no one takes on the task of trying to create change. Selectmen must answer to the taxpayers on the school tax rates even though they have no control of the rates. It may be that the Selectmen are the only ones that can argue for change and have a basis for communicating the feelings of the tax payers. If all towns want a change or 4 of the 5 towns want change and each of those towns selected a board member that truly reflected the community and each Board of Selectmen supported the candidates developed by the individual Boards of Selectmen, then it would be possible for the consensus board candidates to be elected.

The consensus of the Selectmen was that the proposals (two for accountability and one for tax formula) should be drafted and circulated to see if there was a consensus to support them by Boards of Selectmen.

Several attendees mentioned that the School Budget Committee would be holding a hearing on the proposed budget on Wednesday, January 11 at the Canaan Elementary School Gymnasium at 6 PM.

Scott Borthwick brought this section of the meeting to a close at 8:40 PM and invited any members of the public to stay for the remainder of the Canaan Select Board meeting.

Warrant Articles

Samson indicated that DRA was refusing to allow funding from the Operating budget to be used to fund Capital Reserves even though there was a separate warrant article that would allow the money to be used if that separate article was approved. Our attorneys and NHMA legal counsel agree that our interpretation is correct and that there are other towns adversely impacted by DRA's decision. The problem is that there does not appear to be any basis for the DRA's refusal in the law. Samson indicated that we will try to get our new State Senator to introduce a bill to vacate DRA's decision.

Encumbrances

Samson distributed a list of purchase orders to be encumbered beyond December 31, 2016. Motion by Dave McAlister to encumber the purchase orders as recommended totaling \$17,660.31. Second by Al Posnanski. Unanimously approved.

Contract Renewals

All contract renewals were deferred until 2017.

PaySchedule

Samson submitted the proposed pay schedule for 2017. Al Posnanski's name was inadvertently left off of the list and was added. All wages except Selectmen would go up by 3% as budgeted. Motion by Al Posnanski to approve the amended pay schedule. Second by Dave McAlister. Unanimous approval.

At 9:12 PM Selectman McAlister moved to adjourn. Second by Posnanski. Unanimously approved.

Scott Borthwick, Chairman

David McAlister

Al Posnanski
Canaan Board of Selectmen