

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
January 4, 2007
Canaan Fire Station**

Members present: Eleanor Davis - Chair, Denis Salvail, Shirley Packard, Russell Lester, Dave Barney, Mark Simon, Marty Pusey, Jeff Majewski, Steve Purcell, and Selectman Robert Reagan. Also present were Dana Hadley, **Joe Cote** of *Spectator*, and the minute taker, Christi Berube.

Eleanor Davis called the meeting to order at 7:00 P.M.

Approval of Minutes

There was general consensus to table the December 28, 2006, minutes until the next meeting.

Eleanor Davis distributed an updated copy of the 2007 budget worksheet dated January 4, 2007, an updated copy of the 2006 revenues to date report with a comparison to the 2007 proposed revenues, an actual and anticipated revenues report, a default budget, a memo dated August 10, 2006, from the NH Retirement System regarding contribution rates, and a 2007 invoice from Primex regarding unemployment compensation.

Mark Simon suggested that all handouts should include the date and page numbers for future meetings.

Revenues

Dana Hadley clarified that the NH rooms and meals revenue (account number 01-3352.10) is included on the updated actual and anticipated revenues handout dated January 4, 2007. Dana Hadley also noted that the amount recorded for the highway block grant will change.

Eleanor Davis explained that subtracting last year's property tax figure of \$4,790,673.20 from the last year's total general fund of \$6,446,122.36 equals an actual revenues figure of 1,655,449.16. Eleanor Davis added that the revenues were over-budgeted by \$370,349.16 last year.

There was general discussion as to whether the highway block grant needs to be managed as part of the operating budget. It was suggested that Bob Anderson from the Department of Revenue Administration be invited to a future committee meeting.

Committee members reviewed the petitioned Article 10 from the 2004 Warrant and RSA 235.25. There was general discussion that the petitioned article is state law. **Russell Lester** explained his intentions for sponsoring the petitioned article. There was general consensus that the accounting for the highway block grant is permissible if the sum of highway budget and the highway block grant equal less than the total budget. There was

general discussion that the highway block grant funds should be spent on road maintenance.

There was general mention of the \$25,000 encumbrance for road salt.

There was also general discussion regarding the Road Agent's recent purchase of gravel.

Jeff Majewski asked what figure will be used to set the tax rate. Dana Hadley responded \$3,101,011, which does not include the highway block grant funds.

Dana Hadley commented that he will be meeting with Bob Anderson from the Department of Revenue Administration for assistance with how the tax rate will be set. Dana Hadley added that he will also clarify the questions regarding RSA 31.

Russell Lester suggested that a training session for committee members could be scheduled if committee members want to travel to Concord and meet with Bob Anderson.

Eleanor Davis noted that the updated copy of the 2006 revenues to date report has incorrect 2006 budgeted figures; the PB Advertising line should be \$700, the recreation summer programs should be \$2,200, and the sale of property should be \$5,000 with a total figure of \$1,285,100.

MOTION by Jeff Majewski and seconded by Mark Simon to approve the 2007 proposed revenues of \$1,367,360 for the MS 7 report.

VOTE: Unanimous

Selectmen's 2007 Default Budget

Committee members reviewed the 2007 default budget. Dana Hadley noted that the adjustments are listed on page four.

Eleanor Davis expressed concern whether including the water and sewer budgets in the default budget is "double budgeting". Dana Hadley responded that this is the standard practice for budgeting but that the explanation of the warrant article could be improved.

Russell Lester requested that a debt service schedule be included with the financial statement.

Revision of 2007 Highway Block Grant

Committee members reviewed a letter dated December 15, 2006, from the NH Department of Transportation regarding the highway block grant.

2007 Operating Budget

Highway Budgets:

Committee members reviewed the 2007 proposed highway budgets.

MOTION by Steve Purcell and seconded by Dave Barney to accept a total budget of \$47,776.37 for the highway administration.

VOTE: 6 YES 4 NO (Denis Salvail, Marty Pusey, Eleanor Davis, and Russell Lester)

Jeff Majewski commented that the state retirement figures appear incorrect for the highway administration budget.

MOTION by Steve Purcell and seconded by Jeff Majewski to accept a total highway budget of \$628,800.

Steve Purcell clarified that \$628,000 represents a level funded budget with the proposed salary increases.

Eleanor Davis asked how the full time salaries line item can be over-expended when funds are still available in the overtime line item.

Russell Lester reminded committee members that over \$320,000 was needed after the spring washouts, which depleted the gravel supply. Russell Lester added that no FEMA funds were made available. Russell Lester commented that the Town of Canaan has one hundred miles of roads and that tax payers expect road maintenance to be completed with their tax dollars. Russell Lester also noted that the cost of materials continues to increase in price.

Shirley Packard noted that funds approved last year for road maintenance were used to purchase a truck.

VOTE: 2 YES (Steve Purcell and Shirley Packard) 8 NO

MOTION by Dave Barney and seconded by Shirley Packard to accept a total highway budget of \$758,800

Dave Barney clarified that \$758,800 includes funds for the highway block grant.

VOTE: 7 YES 3 NO (Marty Pusey, Russell Lester, and Eleanor Davis)

Police Department Budget:

Committee members reviewed the proposed 2007 Police Department budget.

Russell Lester explained that the Budget Committee approved a structure of two sergeants, two first officers, and one chief several years **ago** at the request of the Police Department. In exchange, the Police Department claimed that they would minimize the amount of overtime funds needed if the employee structure was implemented. Russell

Lester expressed concern that the Police Department budget continues to increase each year despite this earlier agreement.

Denis Salvail commented that the overtime line item should not be increasing if the full time and part time salary line items are increasing.

MOTION by Russell Lester and seconded by Denis Salvail to reduce the overtime line item to \$8,000.

VOTE: 3 YES (Denis Salvail, Russell Lester, and Eleanor Davis) **7 NO**

MOTION by Marty Pusey and seconded by Denis Salvail to remove \$11,000 for tazers from the equipment line item for a total line item figure of \$7,745.

Denis Salvail noted that the proposed Police Department budget is a thirty percent increase.

Shirley Packard suggested that the tazer purchase should be postponed until a better history of tazer use is developed and until any current legal issues have been resolved.

Marty Pusey suggested that additional consultants besides personal acquaintances should be provided before tazers can be considered.

VOTE: 5 YES (Shirley Packard, Denis Salvail, Russell Lester, Marty Pusey, and Eleanor Davis) **5 NO** **MOTION FAILS**

Russell Lester expressed concern that the debt service budget includes more funds than what is needed. Dana Hadley responded that the budget is based on the payment schedule.

Bottom line:

MOTION by Russell Lester and seconded by Shirley Packard to accept a total 2007 general fund total of \$3,777,899.47.

VOTE: 7 YES 3 NO (Russell Lester, Denis Salvail, and Eleanor Davis)

Denis Salvail noted that the budget increase from last year is a twenty-two percent.

Committee Assignments for Public Hearing

Committee members volunteered to present the following budgets at the Public hearing:

Shirley Packard: Transfer Station, recycling, and welfare
Jeff Majewski: police department, fire department, ambulance, emergency management, and code enforcement
Dave Barney: debt service and capital outlay
Marty Pusey: library
Denis Salvail: water and sewer
Robert Reagan: Selectmen, town administration, and town meeting
Russell Lester: town clerk, voter registration, accounting, and data processing
Steve Purcell: highway, mechanic, road maintenance, bridges, street lighting
Eleanor Davis: legal, personal administration, planning, zoning, government buildings, cemeteries, and advertising.

There was general discussion that the proposed 2007 budget may include more funds for FICA and NH retirement than necessary. It was mentioned that the budget includes three positions that were not approved by the voters. Eleanor Davis noted that she found approximately \$328,000 in various budgets such as the Selectmen, Unemployment, and Personal Administration budgets that could have been reduce. Eleanor Davis added that the salary increase could have been reduced to the 3.3 percent cost of living increase, which is what the State of NH is offering.

Selectmen's Report

A report was not provided at this time.

Other

It was noted that petition warrant articles are due next Tuesday and that the deadline for the final warrant is January 30th.

There was general discussion that the Selectmen's proposed budget was received too late this year and that complete and accurate information should be made available in October.

MOTION by Jeff Majewski and seconded by Russell Lester to adjourn the meeting at 9:50 P.M.

VOTE: Unanimous