

**TOWN OF CANAAN  
BUDGET COMMITTEE MEETING  
March 20, 2008  
APPROVED COPY  
Canaan Fire Station**

Members present: David McAlister - Chair, Denis Salvail, Shirley Packard, Dave Barney, Nathan Deleault, Eleanor Davis, Tom Hudgens, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Al Posnanski, Phillip Savail, and the minute taker; Christi Berube. Committee member not present was Russell Lester.

David McAlister called the meeting to order at 7:00 P.M. and took attendance. David McAlister summarized that all committee members should have received copies of the Actual & Anticipated Revenues report dated March 1, 2008, and copies of a handout from Dave Barney regarding proposed Budget Committee Projects for 2008.

**Election of Officers**

**MOTION** by Eleanor Davis and seconded by Shirley Packard to elect David McAlister as the Board Chair.

There were no other nominations for the Chair position.

**VOTE: Unanimous in the affirmative**

**MOTION** by Shirley Packard and seconded by Tom Hudgens to elect Eleanor Davis as the Board Vice Chair.

There were no other nominations for the Vice Chair position.

**VOTE: Unanimous in the affirmative**

**MOTION** by David McAlister and seconded by Eleanor Davis to elect Russell Lester as the Board Secretary.

David McAlister noted that Russell Lester volunteered to continue the position. There were no other nominations for the secretary position.

**VOTE: Unanimous in the affirmative**

Dave Barney suggested that a better job is needed with posting the agendas and minutes on the town's website. Dave Barney volunteered to assist with the public postings.

David McAlister informed committee members that the Budget Committee received a letter from Alexandria Bienes, a Canaan resident and high school student, who has

requested a donation of funds in order to attend a three day *Vocal Summit* seminar this summer at Berklee College of Music. David McAlister added that a letter of support from the high school Music Director, David Wilson, was included.

**MOTION** by Shirley Packard and seconded by Tom Hudgens to have David McAlister draft a response letter that explains that a private donation would not be an appropriate use of taxpayers' funds and to suggest that she contact private organizations, such as the Masons, the Lions, the Crusaders, or the American Legion, for possible financial support.

**VOTE: Unanimous in the affirmative**

There was general discussion that representatives are needed for the Capital Improvement Plan Committee. Dave Barney and Eleanor Davis volunteered to serve as the representatives again. Dave Barney explained that expenditures included in the plan either cost \$5,000 or greater or have an intended life span of three years or more. Examples include buildings, fire trucks, and road equipment purchases.

**Approval of Minutes**

Committee members reviewed draft copies of the January 9, 2008, and January 10, 2008, minutes. Committee members commented that the quality of the minutes from the January 9<sup>th</sup> meeting is exceptional.

**MOTION** by David McAlister and seconded by Dave Barney to accept the minutes dated January 9, 2008, as written.

No corrections were suggested at this time.

**VOTE: 5 YES 0 NO 4 ABSTAIN** (Nathan Deleault, Tom Hudgens, Craig Lawler, and Scott Borthwick)

**MOTION** by David McAlister and seconded by Dave Barney to accept the Public Hearing minutes dated January 10, 2008, as amended.

The misspelling of Al Posnanski's name was corrected.

**VOTE: 5 YES 0 NO 4 ABSTAIN** (Nathan Deleault, Tom Hudgens, Craig Lawler, and Scott Borthwick)

**Default Budget**

David McAlister summarized that the public defeated the Budget Committee's proposed budget and that spending of the default budget during 2008 will be at the discretion of the Board of Selectmen. David McAlister added that the Budget Committee members have appreciated their involvement in the review process now and look forward to continued involvement in the future.

Michael Capone explained that initial review of the default budget began last Friday, which included Budget Committee members and department heads. The default budget includes funds for all contract obligations and totals \$3,357,014. Michael Capone summarized that the 2008 Budget Worksheet distributed for this meeting is the budget that was discussed last Friday. However, a revised and updated worksheet is currently being worked on that Selectman Borthwick and Selectman Lewis have not reviewed yet. There was general committee consensus to only distribute the updated worksheet once it has been completed. Michael Capone explained that this updated worksheet will include a column that shows how the Board of Selectmen will choose to reallocate funds in order to meet the total default budget amount. Michael Capone added that the Library Trustees will be meeting on Monday and may have some additional input regarding reallocation after that meeting. The hope is to have a final draft of the updated worksheet on next Tuesday.

Nathan Deleault asked how the default budget figure is determined if the Town of Canaan happens to expend less than the default budget figure amount. Michael Capone responded that the default budget figure is based on what figure is submitted on the MS22.

Eleanor Davis asked Michael Capone what his accounting background includes. Michael Capone responded that he has thirty years combined experience of owning his own business and serving on various boards, such as Selectmen, Planning, and CIP.

Eleanor Davis commented that there is a history of past town officials “padding the budget” by adding one time expenditures to inappropriate line items, which has overall increased the operating budget over time.

Shirley Packard asked how the remit payment regarding recyclable materials from the Town of Orange will be accounted for. There was general discussion that the payment should be included with the general revenue funds but there was general question as to which year that the payment will be applied to. Michael Capone offered to consult with Gloria Koch.

Dave Barney summarized his handout regarding possible topics to consider and review during the spring and early summer months. Dave Barney suggested that the Budget Committee should meet during these months in order to become better educated and prepared for the budget review process and deliberations.

Nathan Deleault suggested that the new Fairpoint and Verizon merger may offer a resolution to the broadband issue.

David McAlister suggested that the new road agent should be the first to tackle the issues regarding roads and bridges.

Tom Hudgens commented that the noncompliance and contamination issue regarding the town’s water should be the first order of business resolved by the Board of Selectmen and

Town Administrator. Michael Capone responded that he has started discussions with Wright Pierce and with the Department of Environmental Services in order to better understand the issues and the funding options that may be available.

David McAlister noted that scheduling meetings during July and August are difficult due to summer vacations and travel but that April, May, and June would be viable meeting months. There was general committee consensus to schedule the next meeting on April 17<sup>th</sup> in order to discuss issues surrounding water and sewer. There was general discussion that Alan and Joe are the most knowledgeable. Dave Barney volunteered to meet with Michael Capone, Alan, and Joe and to help facilitate the review and discussion at the next Budget Committee meeting.

### **Revenues and Expenses**

Committee members received copies of the Actual & Anticipated Revenues report dated March 1, 2008. There was no discussion or questions regarding the report at this time.

Eleanor Davis asked why numerous line items are over-expended or are close to being over-expended within the first few months of the budget year. There was general explanation that the executive line items included funds for the town administrator search and that the capital reserve funds will be transferred to cover expenses applied to the bridge inspection line item. Michael Capone responded that he will need to ask Vicky McAlister about the election advertising line item and ask Gloria Koch about the other line items in question.

Dave Barney requested that the agendas for the Board of Selectmen meetings be posted on the town's website. There was also discussion to distribute copies of Chapter 32 of *Budgeting Law* to the committee members.

Tom Hudgens asked whether Local Government Center sponsors any training for budget preparation. Eleanor Davis responded that trainings are scheduled in September for anyone wanting to attend.

Michael Capone noted that Don Borer from the Department of Revenue Administration offered to schedule a workshop with the Board of Selectmen and/or Budget Committee. Michael Capone also noted that the Town of Canaan has been assigned a new representative, Shelley Grelarno.

### **Chairman's Report**

There was no report provided at this time.

### **Selectmen's Report**

There was no report provided at this time.

The next meeting is scheduled for April 17<sup>th</sup>, 2008, at 7 P.M. at the Canaan Fire Station

**Public Comment**

There were no public comments made at this time.

**MOTION** by Tom Hudgens and seconded by Denis Salvail to adjourn the meeting at 8:12 P.M.

**VOTE: Unanimous in the affirmative**