

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
October 21, 2010
Canaan Fire Station
Final Copy**

Members present: David McAlister; Dave Barney; Karen Wolk; Russell Lester; Eleanor Davis; Denis Salvail; John Bergeron; Nathan Deleault; and Scott Borthwick. Also present were Town Administrator Mike Samson, Bob Scott, Police Chief Sam Frank, Fire Chief Bill Bellion, Ed Berger, and Al Posnanski,

David McAlister called the meeting to order at 7:00 P.M. and took attendance.

David McAlister explained that a new member of the Budget Committee is needed due to Mr. Lawler's meeting absences this year. David McAlister noted that there are two residents interested in fulfilling the vacated position; Mr. Berger and Mr. Posnanski. It was later noted that this appointment will remain effective until the March 2011 election.

MOTION by Russell Lester and seconded by Denis Salvail to remove Craig Lawler as a member of the Budget Committee due to a hardship situation involving his mother's condition.

The motion was unanimously approved.

Ed Berger and Al Posnanski provided brief statements as to why they are interested in the position.

Dave Barney commented that an individual who has past experience with developing and managing budgets in a good sized organization would be beneficial to this committee. Dave Barney added that committee members should have "a good set of eyes and be open-minded".

John Bergeron noted that Ed Berger has participated on the Source Water Protection Committee.

Committee members than appointed Al Posnanski as a member of the Budget Committee after a roll call vote of six to three.

Mechanic Budget

Mike Samson commented that these line items were set based on past history and on past expenditures. There was general clarification that the repair line item is for contracted services when items can not be repaired in-house.

Scott Borthwick clarified that three percent salary increases have been budgeted for all town employees except for the assistant tax collector, Tom Guillette, and the Board of Selectmen.

Al Posnanski asked whether there is a specific repair line item or a schedule for equipment repair at the transfer station. Mike Samson responded no but that he is aware of several items that will require some time and labor from the town mechanic.

Highway Department Budget

Bob Scott summarized his proposed budget, as presented in the budget worksheet.

There was general discussion that town officials have met with other town officials regarding their practices and recommendations regarding road salt usage and the differences between manufactured sand versus regular sand. Mike Samson commented that they have been told that there is no significant cost-savings or advantages to using manufactured sand over regular sand. Bob Scott noted that it is his intent to try a reduced salt mixture on the roads this upcoming season by reducing the salt content by twenty-five percent. Dave Barney suggested that there be more discussion regarding the use of manufactured sand since he is aware of positive comments and results in other towns regarding manufactured sand.

Eleanor Davis asked what is included in the mowing line item. There was general explanation that equipment is rented for the town employees to remove tree limbs and to mow along the roads.

Scott Borthwick expressed concern that a significant increase of \$50,000 may impact the ability for voters to approve the warrant article regarding the reserve account for highway equipment. Mike Samson suggested that the warrant article language could be revised to read that the funds will come from undesignated fund balance so that no new appropriations are needed. John Bergeron suggested designating \$40,000 for highway trucks and \$40,000 for heavy equipment. It was noted that the intent is to present two warrant articles in March regarding highway department needs.

Dave Barney commented that \$80,000 is less than what the last Capital Improvement Plan recommends.

Mike Samson commented that he is deliberately removing the cushion from the department budgets so that the voters can see what the true costs are for each department. Mike Samson explained that an annual warrant article that designates specific uses for any undesignated surplus could easily fund equipment needs if there are no emergencies since state revenue is usually received and since there has typically been a surplus.

Street Lighting Budget

John Bergeron distributed copies of old warrant articles that have been presented to voters in the past regarding requests for street lighting. John Bergeron suggested that a warrant article be presented that authorizes the Board of Selectmen to implement street lighting changes as long as public safety is not impacted.

Police Department Budget

Chief Frank distributed supplemental information regarding his proposed 2011 budget. Chief Frank summarized that he is amenable to all of the line item allocations presented except for the Police Chief salary. Chief Frank explained that the voters approved a salary increase for the Police Chief position at the last Deliberative Session and that the operating budget was approved. However, the Board of Selectmen has refused to fund his salary increase. Chief Frank summarized that he has essentially received a decrease in his hourly rate to serve as the Chief of Police. Chief

Frank added that he currently oversees staff police officers who are earning a higher hourly rate than him.

Chief Frank clarified that there are five full time employees but six full time positions including his position and six part time employees.

There was general clarification that the police department's website will also be updated when the town office's website is done.

Eleanor Davis commented that some of the figures presented by Chief Frank, such as the police chief's salary, do not match what is presented as the department head's budget in the budget worksheet. Mike Samson explained that the Board of Selectmen has authorized a three percent salary increase for town employees so a three percent increase is what has been presented in the budget worksheet. Eleanor Davis responded that the Selectmen's proposed figures should not appear in the department head's column. Mike Samson offered to revise the budget worksheet to reflect Chief Frank's proposed salary amount but cautioned that the other department heads may also ask to include their wish list items after there was a collaborative effort to decrease the operating budget and establish a contingency budget.

Denis Salvail commented that the voters may have approved the salary increase at the Deliberative Session. However, the vote to support the operating budget should not be confused with supporting the salary increase since voting to support the operating budget was also a vote to support the lower budget figure compared to the default budget. Denis Salvail suggested that a separate warrant article would clarify whether the voters support a higher salary for the police chief position.

Chief Frank referenced police chief salaries and benefits in the surrounding towns and asked the Budget Committee members to consider his input and include his proposed salary so that he can at least have the opportunity to continue this conversation with the Board of Selectmen. General discussion ensued that the Budget Committee does not comment on the salaries of employees since setting salaries is the responsibility of the Board of Selectmen. It was noted that the Board of Selectmen are more amendable to funding items that are approved by the voters in a warrant article although they are not obligated to spend the funds.

Mike Samson commented that he has completed an assessment to compare base salaries of similar sized towns and Chief Frank's current salary is in the low to middle starting range for a police chief position. Mike Samson added that salary adjustments have not been made from the wage scale analysis since it was completed. Mike Samson also noted that wage increases are not being considered in most towns but that the CPI for northern New England is seven percent over the past three years.

There was general discussion that it was the union contract that created the discrepancy in the police department salaries, as well as, two years of a default budget and the lack of salary increases due to the downturned economy.

Al Posnanski asked whether any grant revenues support the police department budget. Chief Frank responded yes and explained that grants provide the opportunity for extra patrol time for speed and DWI enforcement. The amount is based on the size of the town, the department size, and the size on the operating budget.

Denis Salvail cautioned that grant funding only allows towns to live beyond their means and increases the size of government.

John Bergeron suggested that impact fees and ordinances could be implemented to help increase revenue. It was noted that impact fees and ordinances would also create additional paperwork and work time needed for collecting fees.

Mike Samson suggested and explained incremental tax financing for industrial and commercial development outside of the downtown village since no more users can be added to the water and sewer systems.

Emergency Management Budget

Chief Bellion explained that fifty percent of the funds for emergency supplies were shifted to the contingency budget. John Bergeron commented that only half of the funds requested for supplies are included in this budget. Mike Samson explained that the proposed budget resulted from a non-confrontational and mediated process that achieved all of the key interests of the departments. Mike Samson further explained that the contingency budget pools funds for items that may not be needed. There was general discussion that there was general satisfaction with the department heads working together to generate a budget that provides salary increases, can be supported by the voters, and that every department made sacrifices.

Scott Borthwick noted that the Board of Selectmen has initially reviewed this proposed budget and that two items have been removed: \$8,000 for the part time employee for the government buildings budget and the police cruiser pending documentation that justifies the replacement.

There was general discussion that the town needs system wide planning and a functioning Capital Improvement Plan now that the debt has been paid down and tax dollars can be used to building up the capital reserves.

Mike Samson commented that no budget cuts were made that directly impacts public safety or the primary function of the departments. Mike Samson added that the intent was to maintain or improve service and reduce cost with more economical methods.

Mike Samson clarified that three recommendations were forwarded to Steve Ward last August regarding replacements for Fire Engine 3, a police cruiser, and the Ford 550 at the highway department. Mike Samson added that information was also forwarded last September regarding the useful life and age of the town's equipment, as well as purchase preferences for the next two to three years. Mike Samson noted that a paving plan and road plan is currently being worked on.

Al Posnanski asked what the process will be for department heads to access funds in the contingency budget. Mike Samson explained that the Board of Selectmen will review requests and

the justifications every two weeks if the request is not an emergency. Mike Samson added that he is recommending that no funds be utilized until the third or fourth quarters unless the need is for an emergency.

Fire Department Budget

Chief Bellion explained that the increase in the equipment maintenance and communications line item is due to the need for new pagers with narrow banding before 2013, as well as, the need to resume testing on equipment that has been previously put on hold due to budget constraints.

Chief Bellion explained that the increase in the vehicle maintenance and repairs line item is for funds to remove the bottom rust of the rescue truck in order to extend the lifespan of the truck.

Chief Bellion explained that the increase in the equipment line item is for the continued replacement cycle for the turnout gear that last five to seven years depending on the amount of use each year.

Chief Bellion explained that additional training funds are needed for two new individuals interested in taking the level one fire fighting course.

There was general discussion regarding the ideal conditions needed to install a dry fire hydrant. Dave Barney offered to contact Bill Bellion to visit possible sites at Goose Pond when the water levels are at their lowest.

Chief Bellion noted that there will be a request for \$40,000 in a warrant article next March for the capital reserve in order to purchase a replacement fire truck.

Al Posnanski asked why the 1987 Fire Engine 3 can not be rebuilt instead of purchasing a new fire truck. Chief Bellion responded that the frame has already been rebuilt, tanks replaced, and body work completed and that additional drilling and bolting will be required next year to just enable the truck to provide the backup need of pumping water.

Approval of Minutes:

Committee members reviewed draft copies of the minutes dated September 30, 2010.

MOTION by David McAlister and seconded by Russell Lester to accept the minutes dated September 30, 2010, with corrections.

David McAlister noted that the words “River Road Bridge was” was mistakenly omitted on page two under the Bridge Inspection section.

David McAlister added that “2009” and “2010” need to be reversed on page five and that “page three” should be “page one”.

Karen Wolk suggested adding the words “section of the” in the last sentence of the Insurance Liability Budget section on page two.

Scott Borthwick suggested adding the words “for the Board of Selectmen” in the third paragraph on page two for the Selectmen.

Karen Wolk noted an incorrect verb tense in the second paragraph on page two.

Dave Barney noted the misspelling of Mike Samson’s name throughout the minutes.

Denis Salvail commented that the state legislature needs to be pressured to fix the problem of the rate increases for the retirement contributions since employees have been scamming the system for years. Eleanor Davis added that the towns contribute more to the retirement system than what the employees do and that the retirement contributions are calculated on the employee’s three highest paid years and that some employees are able to stockpile their vacation time and sick time, which increases the earnings. Mike Samson added that there are several towns who are considering a case action lawsuit against the State.

VOTE: 8 YES 0 NO 2 ABSTAIN [John Bergeron and Al Posnanski]

Chairman’s Report

David McAlister noted that he received an email from the Friends of Canaan Street requesting \$500 in next year’s operating budget for the maintenance of the bathhouse.

Selectman’s Report:

Scott Borthwick commented that the Board of Selectmen has reviewed the proposed budget line by line and has pulled out \$8,000 from the government building budget for the part time salary and the funds for a police cruiser until there is adequate justification received. Scott Borthwick thanked Mike Samson for his hard work and effort in putting together next year’s budget.

David McAlister noted that the next meeting is scheduled on November 4th.

MOTION by Russell Lester and seconded by Dave Barney to adjourn the meeting at 9:49 P.M.

The motion was unanimously approved.