

**TOWN OF CANAAN  
BUDGET COMMITTEE MEETING  
September 11, 2008  
APPROVED COPY  
Canaan Fire Station**

Members present: David McAlister - Chair, Denis Salvail, Dave Barney, Nathan Deleault, Eleanor Davis, Russell Lester, Shirley Packard, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Vicky McAlister, Al Posnanski, Phil Carter, Aaron Allen, David Heath, Selectman Robert Reagan, and the minute taker; Christi Berube.

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

David McAlister read a letter of resignation from Tom Hudgens regarding his Canaan Budget Committee position.

**MOTION** by David McAlister and seconded by Dave Barney to accept Tom's resignation letter with regret.

**VOTE:           8 YES           1 NO** [Denis Salvail]

David McAlister asked committee members whether the vacated budget committee position should be filled or left unfilled for the rest of this budget year. David McAlister noted that he did talk to one community member regarding any interest that they may have in filling this vacated position since this individual has attended meetings regularly and is well informed of the committee's proceedings so far this year. This individual declined the suggestion to participate as a committee member. David McAlister cautioned that it may not be a good idea to fill the vacated position with someone who is not aware or informed of this year's proceedings.

Dave Barney suggested that the vacated position should be filled since this is an opportunity for another resident to get involved. Dave Barney added that the position should be advertised in the newspaper. There was general discussion and consensus that perhaps the cost for newspaper advertising is not necessary during a default budget but that an announcement posted on the town's website and at various town locations would be appropriate.

**Approval of Minutes**

Committee members reviewed draft copies of the June 19, 2008, minutes.

**MOTION** by David McAlister and seconded by Russell Lester to accept the minutes dated June 19, 2008, as corrected.

There were no corrections suggested at this time.

Dave Barney asked whether any town funds were used for the repairs made to the forestry truck. Michael Capone responded yes and summarized that \$1,500 was used from the repair and maintenance line item.

Michael Capone clarified that the BMSI system does allow for sub-accounting.

**VOTE: 8 YES 0 NO 1 ABSTAIN [Shirley Packard]**

### **Budget Review**

Committee members received copies of a 2008 Budget Worksheet. David McAlister noted this tonight's budget review is a listening session for department heads to present their budget proposals. David McAlister encouraged committee members to ask questions but clarified that no decisions or voting will occur at this meeting.

Dave Barney asked whether a joint meeting with the Board of Selectmen will be scheduled. David McAlister responded that two selectmen are present at this meeting.

### **Cemetery Budget**

David Heath summarized his proposal for a cemetery budget as follows: a three percent increase for the full time salary was included although the budgeted number may be miscalculated; three percent increases for the part time positions were not included; the part time salaries are based on forty hours for thirty-two weeks at ten dollars per hour; the Medicare and retirement line items may also be miscalculated; the fuel line item includes estimated fuel costs for the truck and the mowers; the supplies line item includes estimated costs for grass seed, fertilizers, and mower blades, for example. Dave Heath explained that he has not added any budgeted funds for the equipment line item at this time since he is still comparing pricing for a cyclone rake replacement.

Phil Carter asked whether the Board of Selectmen has considered employee raises yet. Scott Borthwick responded no but predicted that salary increases will probably not be granted for next year.

Phil Carter noted that the street banking is eroding at the South Road cemetery and that funds will most likely be needed from this year's budget in order to make necessary repairs.

Michael Capone noted that fuel costs will be allocated throughout the department budgets for next year but that some flexibility in budgeting is needed at this time due to unknown future fuel costs.

Phil Carter noted that the tombstone repair project should be completed within the next two or three weeks. The funds for this project were approved in a warrant article. Only a \$2,500 deposit has been paid at this time. It was later noted that the balance remaining on cemetery tomb stone repair line item of the budget worksheet, page twelve, should be \$7,500.

David McAlister noted that he has visited several cemeteries in Canaan this summer and that all of them have looked great and are well cared for.

### **Conservation Commission Budget**

Aaron Allen summarized that the Budget Committee has historically allocated \$700 for an annual budget and \$200 for the annual state dues. At this time, there is a \$500 balance in the Conservation Commission Budget. There was general committee consensus to allocate \$700 in the 2009 Conservation Commission budget at this time.

David McAlister asked whether the Conservation Commission receives “moose plate” funds from the State of NH. Aaron Allen responded that the Conservation Commission is eligible to request funds from the State of NH through their grant program and that no funds are directly available or provided.

Craig Lawler asked what the purpose of the Conservation Commission is. Aaron Allen responded that commission members review proposed development plans and sites and provide recommendations whenever permitting is required from the Department of Environmental Services. Aaron Allen added that the Conservation Commission organizes roadside cleanups and can provide scholarship funds, if approved by the Board of Selectmen. There was also general explanation that the Conservation Fund receives a capped amount of \$5,000 from revenues collected from the land use change tax.

Craig Lawler asked why additional funds need to be allocated in the budget if the Conservation Commission is eligible to receive up to \$5,000 from the land use change tax. Committee members explained that the \$5,000 is generally not used for operating costs.

### **Executive Budget**

Michael Capone summarized that the following line items were reduced in allocation amounts since there are no known expenses to account for the previous higher allocation amounts: administrative support; printing; and miscellaneous. Michael Capone explained that funds allocated for administration support are for website licensing and hosting. Michael Capone summarized that the cost for quarterly newsletters can be avoided by posting information on the town’s website instead. There was general committee consensus to budget one dollar in the printing line item in case of any unexpected need. Michael Capone noted that the allocated funds in the training line item are for workshops that employees, committee members, or appointed officials may attend. There was general discussion and reminders provided of various upcoming workshops offered by the NH Municipal Association.

Russell Lester suggested that the “miscellaneous” line item should be renamed to “contingency” since the word “miscellaneous” is too much of a catchall term.

Eleanor Davis noted that there is no negotiated contract with the police department at this time.

### **Town Administrator Budget**

Michael Capone suggested that the budgeted amount for the training and seminars line item can be reduced since the NH Municipal Association and Primex offers a wide range of training opportunities within the town's membership fees.

### **Town Meeting Budget**

Michael Capone suggested that the budgeted amount for the town report printing line item can be reduced by preparing the compositions on the office computers.

### **Budget Committee Budget**

There was general committee discussion and consensus that the "FA Budget Committee" line item should be renamed to "FA Budget Committee and training" since these budgeted funds are used for training expenses, conference fees, and sometimes to purchase publications. There was general question as to what the forty-five dollars was expended for this year.

Shirley Packard asked whether the FICA contribution is expected to increase this year. Michael Capone responded that he has not heard of anything regarding an increase.

### **Assessing Budget**

Michael Capone summarized that some consideration was given to making changes to the tax maps every other year but that the maps receive a high amount of use and that yearly updates are desirable.

Michael Capone explained that the funds allocated in the software support line item are for technical support and updates for the Avitar system. Vicky McAlister later explained that the Avitar system is used for property assessments and for tax collecting.

Michael Capone explained that the \$40,000 allocated for a contract appraiser is \$15,000 for "pick-up work" and \$25,000 for the five-year cyclical revaluation, which is currently completed by Cross Country Appraisal. Michael Capone cautioned that another \$15,000 may be needed next year to do statistical updates, which is calculated on two hundred recent comparative sales.

### **FA Budget**

Michael Capone noted that he has not received the complete bill for the audit yet and that he is waiting for a return call from the auditor in order to ask whether any increase for next year is expected. There was general discussion that bids for auditing services should be collected and considered. Robert Reagan summarized that the Board of Selectmen inquired with Plodzick and Sanderson approximately three years ago and that their comment was that David Clukay was a qualified and reputable auditor to have.

### **Treasurer Budget**

Michael Capone noted that there has been general consideration of a system to track office supplies but that no office time has been devoted to it yet. The budgeted funds for the office supplies line item is for specialized envelopes that are used by the Treasurer.

### **Trustees of the Trust Fund Budget**

There was general question regarding the increase in the legal line item. Michael Capone offered to find out for committee members.

### **Software & Support and Data Processing Budget**

Michael Capone summarized that the software and support line item includes the funds needed for an already consolidated computer assistance service. The data processing funds are needed in case of unexpected equipment failure.

### **Legal Budget**

Michael Capone confirmed that the town has hired a different attorney with a lower hourly rate but that he is hesitant to decrease the budgeted amount due to possible litigation in the future.

There was general discussion that the county prosecutor cost is fixed. Dave Barney noted that Chief Frank has said in the past that the \$30,000 cost does save money and time by minimizing the amount of court time for the police officers.

Eleanor Davis expressed concern whether the recent SWAT team concerns will create litigation for the Town of Canaan.

### **Town Clerk/Tax Collector Budget**

Vicky McAlister summarized her proposal for a tax clerk/tax collector budget as follows: budgeted funds for the mortgage search line item are used for the spring tax liens when the Register of Deeds services are needed and certified letters are mailed; an increase in the dog license line item is needed since the number of dog registrations has increased.

Vicky McAlister also noted that there is a decrease in the budgeted amount for the Election Printing and Supplies line item since there is only one town election next year.

Scott Borthwick asked how the budgeted funds for the software support line item are used. Vicky McAlister responded for the BMSI, which is used for accounting, dog licenses, and vehicle registrations, and for Avitar, which is used for property assessments and tax collecting.

Eleanor Davis asked whether the rate for the retirement contribution could increase even if the salaries remain the same. Michael Capone offered to look into the matter.

### **Building Inspector Budget**

Russell Lester noted that the building inspector has confirmed that his budget proposal is to level fund the building inspector budget for next year. There was general discussion that funds should be allocated in the training, books, tools, and mileage line items even though the current building inspector chooses to not bill the town for those expenses. There was general clarification that the responsibilities of the building inspector is to

approve driveway plans, septic designs, building occupancies, pick-ups, and waivers regarding Class VI roads, for example.

### **Selectmen's Report**

Scott Borthwick corrected from the June 19, 2008, minutes, that Bob Scott saved \$23,000 in asphalt costs this year by collecting bids.

Scott Borthwick informed committee members that the heating system at the library and town office was installed for \$40,555. The budgeted project cost was \$45,000. Two minor adjustments will be needed to the system once the renovation of the library is completed. Bids for the library renovation will be opened next week and renovation is expected to start in October.

Scott Borthwick explained that a bid and proposal has been accepted to help alleviate the town's contaminated water. The proposal is to establish a drilled well behind the water treatment plant and to blend the lake water with well water in hopes of diluting the contaminants in order to meet compliance. The hope is to drill a well and have a 12 gallon per minute flow within 550 feet. The bid to drill the well was \$7,600 and the funds will be taken from the water and sewer surplus funds. Scott Borthwick summarized that this proposal is the cheapest option available that could provide a permanent resolution to the contamination problem.

Scott Borthwick informed committee members that the force main, a pipe that carries effluent back to the wastewater treatment plant, has become exposed in Orange Brook and needs to be encased in concrete to avoid getting damaged. However, the work can not be completed until after the Army Corps of Engineers reviews the plan and possibly visits the site within thirty days of the dated letter from the Department Environmental Safety, which was August 20<sup>th</sup>.

Scott Borthwick noted that the Board of Selectmen authorized a Transfer Station Ordinance effective January 1, 2009, to enforce the requirement of windshield stickers and to authorize the use of tickets for illegal dumping. Scott Borthwick explained that the Town of Canaan incurs hauling costs when contaminated loads are refused at the Lebanon landfill and that tickets will serve as warnings or as civil fines, which can be enforced by the local police department if not paid.

Scott Borthwick summarized that the Board of Selectmen has been advised by the town's forest manager that pine prices have increased due to the wet summer. The 110 acres behind the Transfer Station has a management plan to cut one third at each harvest. Bids for timber harvesting are being requested at this time.

Scott Borthwick summarized that the Board of Selectmen chose to allocate only partial support to the two local lake associations, the Mascoma Visiting Nurses, and the Mascoma Health Initiative due to the default budget. The NH Municipal Association dues were also paid. The Upper Valley Lake Sunapee Regional Planning Commission has said that the Town of Canaan can maintain their membership without paying the

membership fee. Scott Borthwick explained that the two lake associations were partially supported in order to help with the costs associated with milfoil inspection, education, and prevention. Scott Borthwick noted that the Goose Pond Lake Association declined funding and requested that these funds be provided to the Grafton County Senior Citizens Council for support of the Mascoma Area Senior Center. Scott Borthwick explained that the allocation to the Mascoma Health Initiative is to help with ongoing Homeland Security preparations. The balance of the funds previously allocated to the area regional agreements line items, approximately \$40,448, was transferred by the Board of Selectmen to address budget shortfalls regarding gas and diesel.

Eleanor Davis asked whether the Mascoma Visiting Nurses and Mascoma Health Initiative are supported by county taxes.

Scott Borthwick informed committee members that the oldest fire truck has failed a pump test and is out of service until repairs can be made. Inspection and estimates are needed before a decision can be made by the Board of Selectmen. There was general note that the Town of Canaan does have a reserve fund for fire trucks but that a public vote is required in order to expend those funds.

There was general discussion regarding the bridge on River Road and the Board of Selectmen's decision to wait until December to collect bids since the Town of Canaan will need to "float" forty percent of the cost, approximately \$265,000, for the bridge repair before the State of NH will reimburse their second half of their eighty percent contribution. The town's twenty percent contribution is already reserved but a public vote is required in order to expend the funds.

### **Chairman's Report**

David McAlister asked whether committee members received the agenda and budget worksheets okay. The general consensus was yes. It was suggested that the department head telephone numbers be available for the next meeting in case the review process goes quicker than what is scheduled on the agenda.

### **Public Comment**

There was general question as to when the Deliberative Session will be scheduled. Michael Capone responded that he has received the SBII calendar at the office and that he will get that information to the Board Chair.

Al Posnanski commented that the administration is doing a good job at breaking out the costs for each department.

The next meeting is scheduled on September 18<sup>th</sup>.

David McAlister asked committee members to bring this same budget worksheet with them to the next meeting since an updated worksheet will not be provided until the Board of Selectmen's recommended budget is completed.

Craig Lawler asked why the telephone costs are lumped under the General Government Budget and not broken out by department. There was general discussion that the Town of Canaan has a plan with U.S. Cellular for fourteen cell phones. Michael Capone offered to talk to Gloria Koch regarding detailed budgeting for cell phones.

**MOTION** by Russell Lester and seconded by Denis Salvail to adjourn the meeting at 9:25 P.M.

**VOTE: Unanimous in the affirmative**