

Canaan Budget Committee Meeting
Thursday, December 17, 2015
Canaan Fire Station, Canaan, NH

Attendees: Budget Committee members: John Bergeron, Scott Borthwick, William Crowther, Patty Duszynski, Ellie Davis, Al Posnanski, Denis Salvail, Philip Smith Jr.; Budget Committee members not in attendance: Martha Pusey, Sadie Wells. Canaan Town Administer Mike Samson; recorded by Roger Lohr, not in attendance.

Final Approved Minutes

1. Call to Order

Committee Chair Ellie Davis called the meeting of the Canaan Budget Committee to order at 7:01 PM.

2. Health Insurance Premiums and Changes to the Expense Budget

Health insurance premiums for the town of Canaan had an increase of \$7,000 to \$335,009. Town administrator Mike Samson stated that the budget was approved by the Selectboard and he then reviewed the significant variances since the last budget document was reviewed by the Budget Committee.

Tax mapping will decrease by \$900 and the Contracted Appraiser account will decrease by \$12,000. There is a new \$10,000 line item for Capital Reserve in administrative services. There will be similar new Capital Reserve line items for Government Buildings, police department for a cruiser, bridges, and revaluation.

The government buildings group of accounts has a lower heating amount and lower gasoline. There is also a new \$10,000 line item to put in the Capital Reserve. There are a number of reduced contracted services. The prosecutor line is lower because using a rolling average has saved Canaan for its high number of arrest cases.

The highway department has lower water/sewer costs and heating oil. The bridges account was explained. There is \$30,000 budgeted for cement footings. Samson spoke about the waste water plant. Household hazardous waste collection revenues will offset the expenses. Fire department equipment was reduced as equipment items in this account such as the airpaks were purchased last year.

Electricity for the ballfield lighting was up and contributions from the Youth League will be sought to cover the increased costs. The Christmas lights were referenced, too.

The minor accounts for patriotic, cultural and the conservation fund were explained as placeholders or expenses that are paid annually.

Mr. Samson spoke about the moving of funds into and out of the Capital Reserve Funds so they will not be on the warrant articles. These moves included the police cruiser \$40,000, government buildings \$10,000, bridges \$10,000, revaluation \$10,000. There

will be \$60,000 in expense coming out of the operating budget and into the Capital Reserve budget.

The Committee discussed the bottom line with revenue offsets for library, sewer for the Transfer Station and household hazardous wastes for a total of \$21,000. There would be \$255,000 from the Capital Reserve Fund, \$80,000 from end-of-the-year surplus, and \$160,000 from additional revenues.

Samson outlined putting funds into the Capital Reserve for police cruisers \$35,000, highway \$160,000, Capital Reserve revaluation \$40,000, and Transfer Station equipment \$10,000 while taking out of the Capital Reserve for a fire truck \$40,000 and highway \$120,000. The warrant articles related to the regional nonprofit agencies are projected and estimated at \$38,124.

There are two mistakes on page 15 of the budget including that the highway equipment should be changed from \$160,000 to \$40,000 and the Transfer Station is \$10,500 rather than \$10,000. This is a net decrease of \$119,500 and when these two corrections are applied to the bottom line the new amount for general fund is \$3,786,820.

Administrator Samson and Chair Davis discussed their understanding of the budget bottom line and then Samson commented about the health clinic. The updated budget document will be sent to the committee's minutes taker so he can follow the numbers during the recording of the meeting.

Samson spoke about the sewer and water account. The daily water plant readings have been accomplished and there is a backup for the position, but he has never been called to duty. There has been interest to split the sewer and water into two accounts, but it has not been done. The revenues for sewer and water remain with those accounts in a nonlapsing account rather than put into the general funds. There was \$39,000 left over from last year and there are new additional septage revenues anticipated. There was a discussion about a homeowner association that was getting gouged by a sewage trucker. The town charges only 3 cents per gallon for the sewage.

3. Revenues

Samson explained the revenue document. There is an old budget column, a 2016 budget column, a column of projected estimates for 2015, and a column for increase/decrease for each revenue source. The positive revenue budget increase is \$170,806 and after the warrant article expenses are applied, the net is expected to be \$155,004 for 2015 with the increases mostly from taxes and motor vehicle fees. It is expected that 15% of the motor vehicle fees will be collected in December.

The revenue projection is about \$40,000 over last year and this includes tax sale fees, sale of properties and lien sales. Property taxes are up 3% and the SRO increase is \$74,000. The highway block is down and the police department special detail line item will be eliminated. The recyclables are decreasing because of the falling markets for the

materials. The hazardous waste collection was \$2,500 when nothing was projected. A collection was conducted in Enfield, too.

Samson spoke about the \$245,000 of anticipated transfers and the Trustees of the Trust Funds. The estimate is for a \$95,875 fund balance at the end of 2016.

4. Warrant Articles

Business Administrator Mike Samson then reviewed the Warrant Article draft document. Article 3 is for water and sewer operations. Article 4 is from the Capital Reserve toward the purchase a one ton truck for the Highway Department. Eighty thousand is spelled out and needs to be changed to \$40,000. Article 5 is for a police cruiser and Article 6 is for a fire truck. Article 7 is for highway equipment.

The lettered articles do not involve the Budget Committee and for example Article A is a change to how the police chief is appointed rather than elected to office. The issue involves the residency requirement, which is making it difficult to find qualified candidates. Article C is a housekeeping effort to create a special library account so that donations can be accessed. Articles D to I are all also housekeeping articles for small amounts. Article J involves the change of the landfill to economic development, which will require a two thirds vote. Article K has a list of town properties to be put on public sale because they are not worth keeping.

Article L involves the Transfer Station Revenue account and Article B will allow the town to freeze assessments for rehabilitative projects on buildings of significance to the town to spur economic development.

Another article to be drafted will create an incremental finance district in Canaan Village for potential industrial park zones, where some funding will be collected for infrastructure development for those projects.

5. Next Meeting

The committee discussed the need for an additional meeting on January 7 to vote on the budget and revenues. The budget presentation assignments for the Budget Committee's public hearing will also be made at that meeting and there will be an update of the CIP.

6. Adjournment

Bill Crowther made a motion which was seconded by Denis Salvail to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 8:50 PM.

Next meeting of the Canaan Budget Committee is January 7, 2016 at 7:00 PM.