

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
January 10, 2008
Public Hearing
Approved March 20, 2008
Canaan Fire Station**

Members present: Eleanor Davis, Denis Salvail, Shirley Packard, Russell Lester, Dave Barney, Jeff Majewski, Steve Purcell, David McAlister – Committee Chair, and Selectman Robert Reagan. Also present were Dexter Bucklin, Sam Frank, Al Posnanski, Brenda Souza, Matt Wilson, Phillip Savail, Cindy Neily, Jackie Lary, and the minute taker; Christi Berube.

David McAlister called the Public Hearing to order at 7:02 P.M. David McAlister asked audience members to sign the attendance sheet and to step to the microphone before speaking. Dave McAlister noted that any amendments or reconsiderations will be reviewed by the Budget Committee for recommendation after the Public Hearing is adjourned.

Copies of the 2008 Budget Worksheet dated January 10, 2008, and copies of the warrant articles were distributed for public review. David McAlister asked committee members to take turns and summarize each section of the proposed 2008 budget, as was assigned to them. Eleanor Davis explained that the figures presented in the 2007 Budget column is the default budget that was used last year and that the figures presented in the 2007 Budget Town Meeting column was the Budget Committee's proposed budget for last year.

Eleanor Davis noted the following: the EX Administrative Support line item includes funds for the webmaster and that minute taker; software and hardware costs have been reallocated in various sections of the budget; salary increases of three percent are included in the budget; the Town Clerk needs a new printer and headphone set in order to satisfy state reporting requirements; there are three elections next year to administer; and health insurance costs increased ten percent.

Jeff Majewski noted that the ambulance service had to hire a full time individual in order to guarantee day coverage.

Sam Frank asked whether a new position was established in the highway department. Dexter Bucklin responded no and explained that only current positions have been filled.

Marty Pusey noted the following: the REC Hourly PT includes forty percent of the town's mowing costs for the recreation fields; that she has a copy of the library budget if anyone is interested in knowing the breakdown of the budget figures; that the proposed library server will be purchased with last year's budgeted funds since a grant was received for book purchases; funds allocated for CUL Other Recreation are used for Old

Home Days; and funds allocated for PAT Patriotic are used for the holiday wreath and flags.

Russell Lester explained that figures listed under the DS Interest on Tax Ant Notes heading are funds that are borrowed to pay bills between the town's two tax collection periods. Brenda Souza asked how the town administration expects to pay back these larger loans when the prior administration has had a difficult time repaying smaller loans in the past.

Eleanor Davis noted that a public hearing for special revolving funds needs to be completed on a specific number of days prior to the vote. There was general discussion that Dexter Bucklin and Eleanor Davis have conflicting information and that legal advice may need to be requested.

Committee members reviewed the warrant articles. There was general note that Article 3 was recommended by the Budget Committee with a five yes and four no vote. The Budget Committee vote on Article 6 was revised to nine yes and zero no. It was corrected that the Budget Committee does not recommend Article 10 and that the vote should be corrected to five yes and five no. The vote for Article 11 was also revised to nine yes and zero no. The vote for Article 12 was also corrected to seven yes and three no. Eleanor Davis explained that a cemetery custodian is an appointed position under the direction of the Cemetery Trustees and that a cemetery agent is an elected position.

Sam Frank summarized that he is present to answer any committee member questions regarding the proposed article to make the part-time police secretary position a full time position. Sam Frank added that the position is not receiving a salary increase.

Sam Frank asked committee members to comment why they do not support the warrant article. David McAlister explained that he is not willing to set this position as a full time position with life insurance and retirement benefits at this time. Shirley Packard responded that she did not understand the \$1,950 figure proposed and no one was able to answer her questions. Marty Pusey responded that the proposal appears to be a special deal for one individual and that the any proposal should be based on the need for the position. Eleanor Davis summarized that she has been misled and misinformed about extra hours paid to this position and that she can not support or trust most of the budget that has been presented to her. Russell Lester explained that the part-time position helps reduce the final budget cost and that the budget needs cost containment at this time. Denis Savail commented that the final budget figure is too high to accept and that he will not support another full time position.

Sam Frank noted that the police department has had a fifteen percent increase in workload with the same staffing numbers and that he needs additional administrative support.

Jeff Majewski requested that another vote to reconsider the recommendation be done. Jeff Majewski summarized that the number of hours presented in the warrant article has

been corrected since the first vote and that another vote should be taken with the correct information. David McAlister offered to reconsider the vote after the Public Hearing is adjourned.

There was general note that Article 14 was recommended by the Budget Committee with a seven yes and three no vote.

Al Posnanski informed committee members that recycled materials earned \$51,285 this year and that \$20, 958 of that total was actually received by the town. Al Posnanski noted that this information is not reflected in the budget. Al Posnanski added that the new compacter has increased efficiency since it enables more material to be packed per load. Marty Pusey commented that the report distributed recently was very comprehensive and helpful information.

David McAlister adjourned the Public Hearing at 8:14 P.M.

MOTION by Dave Barney and seconded by Jeff Majewski to recommend Article 13 on the warrant.

VOTE: 4 YES [Dave Barney, Jeff Majewski, Steve Purcell, and Robert Reagan]
6 NO

There was general discussion and consensus that the Budget Committee will meet immediately after the Deliberative Session at the elementary school if any amendments are made. The Deliberative Session is scheduled February 2nd at 1 P.M.

MOTION by Jeff Majewski and seconded by Steve Purcell to adjourn the meeting at 8:26 P.M.

VOTE: Unanimous in the affirmative

**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 9th 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 17th 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 17th, 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

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
April 17, 2008
APPROVED COPY
Canaan Fire Station**

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

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

David McAlister noted that he distributed a handout of legal questions and answers, which was copied from the April 2008 issue of New Hampshire Town and City magazine. David McAlister explained that this handout is for informational purposes only.

Approval of Minutes

Committee members reviewed draft copies of the March 20, 2008, minutes. David McAlister noted that the date and Scott Borthwick's name have already been corrected.

Eleanor Davis corrected a grammatical error on page two.

MOTION by David McAlister and seconded by Shirley Packard to accept the minutes dated March 20, 2008, as corrected.

VOTE: 8 YES 0 NO 2 ABSTAIN (Dave Barney and Russell Lester)

Default Budget

Committee members reviewed the Town of Canaan 2008 Default Budget Worksheet dated April 18, 2008. Michael Capone explained that this is budget worksheet that was discussed at the last Budget Committee meeting, which includes the department heads recommendations regarding cuts and was approved at the March 25, 2008, Board of Selectmen meeting.

David McAlister requested an explanation of how the workmen compensation is allocated throughout the budget. Michael Capone responded that he thought that the workmen compensation costs were lumped in one line item but that he will need to research the matter. Eleanor Davis suggested that the error is a result of budgeting mistakes carried from past default budgets.

Nathan Deleault asked why the retirement line item under the town administrator has decreased. Michael Capone responded that he did not elect to take part in the town's retirement system.

Eleanor Davis requested a copy of the MS-22 report. There was explanation of what the MS-2 and MS-7 reports are and what they are used for.

Revenues and Expenses

Committee members reviewed copies of the Actual & Anticipated Revenues report dated April 16, 2008, and the Town of Canaan 2008 Budget Worksheet dated April 14, 2008.

Dave Barney asked why the current revenue amount collected to date is lower compared to last year. Eleanor Davis responded that the tax bills were mailed out late. Michael Capone added that Gloria Koch has noted that several estimated revenue figures are missing from the report. There was general discussion that all the estimated revenue figures were disclosed at the Public Hearing and that these quoted figures need to be entered into the report.

There was general discussion and consensus that the committee members prefer the reporting format of the April 14, 2008 expense worksheet but that the worksheet needs an additional column for the percentage spent. Scott Borthwick summarized that the Board of Selectmen is using this format to review expenses every two weeks. Scott Borthwick noted that \$39,500 has already been spent of the \$85,000 budgeted for gas and diesel. Eleanor Davis noted that two thirds of the heating oil and gas budget has also been used.

Craig Lawler asked why the \$112,300 budgeted for the library has already been spent. There was general explanation that the funds budgeted for the library is deposited into a separate account and that the Library Trustees oversee their own expenditures although Gloria Koch actually writes the checks and manages the accounting. It was noted that the library staff contributed a \$7,500 cut in their budget in order to help meet the default budget. It was explained that the Library Trustees has several other sources of funding but that the funds collected from taxpayers is utilized first. Russell Lester summarized that the Library is treated like an Enterprise Fund and is not run by the Town of Canaan. There was general clarification that the Town of Canaan furnishes the building space and the heat at no cost. David McAlister noted that the ambulance service is also furnished with building space and heat at no cost.

General Discussion

Committee members reviewed a handout of the contact information for each committee member. David McAlister expressed concern that this contact information, including individual's email, is posted on the town's website at this time. David McAlister suggested that consent should have been requested before posting personal or business emails on the website. Eleanor Davis summarized that the Budget Committee Chair has access to an established Budget Committee email account.

MOTION by Shirley Packard and seconded by Denis Salvail to eliminate the individual email addresses from the town's website.

Dave Barney suggested that the committee members should be accessible to the public and that there are many businesses who allow personal business on email accounts that are supplied to their employees.

VOTE: 8 YES 2 NO [Dave Barney and Tom Hudgens]

There was general discussion that all emails from the public should be funneled through the Budget Committee's email address and that the Board Chair will monitor the email account and forward information to the committee members, as needed.

Eleanor Davis cautioned committee members that discussion between committee members using email can constitute as a meeting if a quorum exists.

Dave Barney reminded committee members that any individual committee member can attend and participate in a public meeting and represent their views as an individual resident.

Dave Barney informed committee members that copies of the Budget Law will be distributed at the next meeting.

Dave Barney reported that a panel of people familiar with the town's water and sewer plant will be present at the Canaan Fire Station on May 15th at 7 P.M. to provide a review and to answer questions. Present and past individuals, such as water commissioners, DES reps, and plant operators will be available. Dave Barney added that water system maps will be provided.

David McAlister suggested that the May 15th gathering should be an informal and informational session in order to avoid the cost for a minute taker. No official business or voting will take place at this gathering. The next regularly scheduled Budget Committee meeting will be June 19th.

Russell Lester commented that last year's schedule worked well and that the total number of meetings each year should be minimized in order to keep current members involved and to attract new members. Russell Lester summarized that informational sessions are helpful but that no action can be taken by the Budget Committee until the budget preparation process at the end of the year.

Eleanor Davis requested an updated revenues and expenses report from the water and sewer department, as well as, an updated revenues and expenses report from the library. David McAlister responded that the Budget Committee has no business in overseeing the library accounts.

Dave Barney commented that obviously the Budget Committee should be meeting more frequently and should become more informed if the Town of Canaan is operating under a second default budget. Dave Barney noted that the other committees meet more frequently than what the Budget Committee does.

Eleanor Davis commented that all of the department heads was asked to make budget cuts and that the Budget Committee should also be mindful of their own budget.

Denis Salvail commented that every elected town official took an oath and that there are many areas of the operating budget that do not meet the standards of what each elected official pledged to do. As a result, the tax rate has increased and the residents have indicated that they do not have the funds. Denis Salvail summarized that significant cuts are needed to lower the overall budget and that departments will need to learn how to operate with less, such as the police department, the transfer station, the administrative office, and the nonprofits.

David McAlister commented that it is difficult to determine which services that the public could understand being cut or reduced.

Eleanor Davis commented that town employees received salary increases despite the defeated budget.

Scott Borthwick commented that the most difficult payment to make at this time is the \$329,000 due to the school district each month.

Al Posnanski commented that the transfer station could be self sufficient and could be making money if there were enough attendants provided to oversee the process.

Scott Borthwick noted that three hours were recently reduced from the operating hours of the transfer station due to infrequent users. The Board of Selectmen is also considering penalties for illegal dumping and reviewing the reporting structure of the employee positions.

Denis Salvail suggested that the Fire and Police Departments should be billing for their services. Eleanor Davis responded that grant funding would no longer be available if these departments start charging for their services.

Scott Borthwick noted that there is no state code that says that the Fire Department or town is responsible for the inspection of new homes.

David McAlister agreed that billing insurance companies would be acceptable but that no resident should receive a personal bill for town services.

Denis Salvail commented that he would expect a bill from the Town of Canaan if the town's fire department responded to a fire at his home. This is why he purchases insurance coverage. Shirley Packard disagreed with Denis Salvail statement and responded that she pays property taxes, which covers the costs for fire department services.

Denis Salvail noted that the fire department keeps a registrar of their responses and that there are a number of repeat offenders.

Shirley asked what the status is of the furnace repair or replacement at the administrative building/library. Scott Borthwick responded that the priority has been the mailing of property tax bills and that the furnace bids have not been reviewed yet. Scott Borthwick noted that the bids are below the \$45,000 budgeted.

Chairman's Report

There was no report provided at this time.

Selectmen's Report

Scott Borthwick informed committee members that a \$1,200 annual cost for a storage unit was eliminated from the budget and that the storage items were moved to the back of the Cozy Corner building.

The Board of Selectmen is also considering a uniform allowance instead of a continued contract with Crown Uniform. The existing contract ends in May 2009. The town also has a carpet cleaning contract with Unifirst, which expires this December.

Scott Borthwick summarized that the NHMA dues were paid but that a letter was mailed one week ago to the other nonprofits that the Board of Selectmen will try to honor their pledged contributions but that perhaps only partial payments will be available. Michael Capone noted that the UVLSRPC fee will be paid in June.

Scott Borthwick also noted that all purchase orders exceeding \$500 need to be approved by the Board of Selectmen and that department heads are meeting once a month.

There was general note that updated expenditure reports are available to the public at the town office and on the town's website.

Committee members reviewed two handouts regarding a meeting calendar for the Budget Committee. There was general consensus that September 11th could be a joint meeting with the Planning Board and that the discussion of the Capital Improvement Plan could be moved to September 18th. With these changes, there was general consensus to use the proposal marked number two as the 2008 meeting schedule.

Dave Barney noted that an ad should be posted to seek two residents for the CIP Committee. Al Posnanski offered to participate again this year. There was general clarification that the CIP Committee is under the direction of the Planning Board and that the CIP is to guide the budgeting process.

The water and sewer informational gathering is scheduled for May 15th, 2008, at 7 P.M. at the Canaan Fire Station. Dave Barney asked whether any other informational sessions will be scheduled this year, as was discussed at the last meeting. Nathan Deleault offered to do some research regarding the broadband issue. The next official Budget Committee meeting is scheduled on June 19th at 7 P.M.

Public Comment

There were no public comments made at this time.

MOTION by Russell Lester and seconded by Scott Borthwick to adjourn the meeting at 8:55 P.M.

VOTE: Unanimous in the affirmative

TOWN OF CANAAN
BUDGET COMMITTEE MEETING
June 19, 2008
APPROVED COPY
Canaan Fire Station

Members present: David McAlister - Chair, Denis Salvail, Dave Barney, Nathan Deleault, Eleanor Davis, Russell Lester, Tom Hudgens, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Al Posnanski, and the minute taker; Christi Berube.

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

Approval of Minutes

Committee members reviewed draft copies of the April 17, 2008, minutes.

Eleanor Davis corrected "MS22" to "MS2" on page two. Eleanor Davis noted that she has not received a copy of the MS2 report yet. David McAlister responded that all committee members should receive a copy and that the report can be sent to committee members via email.

Tom Hudgens asked whether individual email addresses of committee members were removed from the town's website. The general response was yes.

Tom Hudgens noted that meeting agendas can not be properly accessed on the town's website.

MOTION by Russell Lester and seconded by Craig Lawler to accept the minutes dated April 17, 2008, as corrected.

VOTE: Unanimous

Review of the Expenditure Report

David McAlister noted that committee members should have received copies of an expenditures report dated June 16, 2008 and a revenues report dated June 16, 2008, via email. Russell Lester commented that some committee members were unable to open the attachments. David McAlister suggested that committee members should contact Russell Lester whenever paper copies are needed. Michael Capone offered to provide copies to anyone who asks him. Michael Capone noted that these reports are available on the town's website, as well as, posted in the lobby of the town offices.

Committee members reviewed the expenditures report dated June 16, 2008.

Michael Capone noted that the executive line items should not change much for the rest of the year since the town administrator search was completed.

Michael Capone explained that the dog license line item indicates over-expenditure but that there is \$4,736.50 in revenue to offset that expenditure line item. Michael Capone also noted that an adjustment is needed to the postage line item in order to remove some of last year's postage expenses. It was noted that a tax bill mailing costs between \$300 and \$600 each time.

There were no concerns expressed with the election, bookkeeper, or Budget Committee line items.

Michael Capone commented that he has talked to the assessor and has told him that he can not bill the Town of Canaan beyond the \$40,000 that is allocated within the default budget.

Michael Capone explained that he liberally uses the legal consulting services of the NH Municipal Association in order to avoid the \$175/hour cost to talk to the town's attorney.

Eleanor Davis questioned why the Town of Canaan allocates \$30,000 for the prosecutor position when the current individual is not even a licensed lawyer. Eleanor Davis commented that police officers can prosecute their own cases. David McAlister responded that the about of paperwork and time needed for police officers to prosecute their own cases is not feasible. Committee members encouraged the Board of Selectmen to review this issue.

Michael Capone noted that the unemployment compensation line item under the personnel administration budget will be adjusted at the end of the year. Michael Capone added that credits are often applied every six months but that he will double check the status of the line item.

Michael Capone noted that there is revenue offset for the Planning Board budget.

Michael Capone commented that the status of the heating oil line item under the government buildings budget will dependent on how early the cold season begins this fall. There was general discussion that current market prices appear too high at this time to consider any contracts. It was noted that propane prices are not being offered at this time.

Michael Capone explained that the Board of Selectmen made adjustments to the cemetery and the parks/recreation budgets at their last meeting since town employees are no longer splitting their work time between maintaining parks and maintaining cemeteries, as they have in the past. David and Barry are maintaining the cemeteries and Tom is maintaining the parks.

Committee members questioned why the gasoline and diesel expenses are budgeted under the general government budget instead of being allocated throughout the various budgets. There was general discussion that allocation throughout the various budgets was done approximately ten years ago but that gasoline and diesel costs have been

grouped together over the years. Russell Lester noted that allocation throughout the various budgets would create more work for the bookkeeper.

Al Posnanski commented that the transfer station budget does not have a line item for electricity so the true overall expense of the transfer station is not accurately reflected. Eleanor Davis responded that the bookkeeper can track the amount of usage from the meter readings recorded on the statements.

Denis Salvail commented that his accounting software includes a feature of establishing sub-accounts for each line item. Michael Capone responded that he is not sure whether the town's current BSI system allows for sub-accounts.

Eleanor Davis requested that the outside detail revenue be checked and compared against the outside detail expenses for accuracy.

Michael Capone noted that the forestry truck has been repaired since the costs to repair the larger truck have been deferred. Committee members requested that the town administrator verify that town funds were not used to repair the forestry truck since those funds were supposed to come from the Firemen's Association Fund.

Michael Capone explained that the administration is listing encumbrances in the expenditure report of all funds that are already allocated this year for specific uses.

Michael Capone offered to check with the Fire Chief to see whether any bulk purchasing has been done for this year.

Michael Capone noted that the contracted services line item is over-expended due to the over-time needed during last winter.

Scott Borthwick noted that road salt has been purchased for the upcoming winter and that a new ice melt product has been purchased, as well. Scott Borthwick explained that this biodegradable product is sprayed on the salt and is guaranteed to reduce salt usage by twenty percent. Dave Barney asked whether the ice melt product is used on low salt roads. Scott Borthwick responded yes.

Scott Borthwick informed committee members that Bob Scott has saved \$43,000 in asphalt costs this year by collecting bids.

Michael Capone noted that the encumbrance listed within the highway budget is for culverts.

Michael Capone offered to check the status of the contracted services line item under the highway budget.

Dave Barney noted that Bob Scott also provided a good price for the sweeping of Goose Pond Road.

Scott Borthwick informed committee members that a notice has been received from the State of NH that a historical site survey of the River Road bridge needs to be completed at a town cost of \$3,500 before bridge repair work can be completed.

Al Posnanski asked whether chloride dust will be applied to the roads for dust control. Scott Borthwick responded that he does not believe that chloride has been used this year.

Michael Capone noted again that Board of Selectmen made adjustments to the cemetery and the parks/recreation budgets at their last meeting since town employees are no longer splitting their work time between maintaining parks and maintaining cemeteries, as they have in the past.

Michael Capone offered to check the status of the maintenance and repair line item of the parks/recreation budget.

There was general discussion that a representative from the Conservation Fund did not present a verbal or written recommendation for a budget so no funds were allocated. Eleanor Davis commented that the Conservation Fund receives an undeclared amount of funds from the sales of Moose license plates. 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.

Eleanor Davis thanked the Board of Selectmen for not borrowing any funds to pay mid year expenses. Michael Capone clarified that the county tax bill is paid in December and that the school district bill is paid monthly unless a special arrangement is agreed on.

Scott Borthwick informed committee members that the heating system at the library and town offices will be addressed in the near future once property tax revenues start to be received.

Michael Capone commented that he needs to talk to personnel at the water and sewer plant regarding fuel costs. Michael Capone also noted that a modification may be needed on a heater at the plant.

Revenue of the Revenues Report

Committee members reviewed the revenue report dated June 16, 2008. Michael Capone summarized that the current property taxes figure on page one needs to be subtracted from the general fund total on the last page in order for the budgeted figures to add up correctly.

Eleanor Davis asked whether this report includes any revenues collected for 2007 taxes. Michael Capone responded that revenues for 2007 taxes are included in this report but that these revenues are recorded under the redemption line item. Michael Capone added that lien notices are mailed in May of each year.

Michael Capone explained that he needs to seek advice from the auditor regarding the proper use of the sale of property line item and the lien sale premium line item, as well as the gravel tax line item and the excavation tax line item.

Michael Capone clarified that the billing for the School Resource Officer was mistakenly overlooked but that the bill has now been mailed.

Tom Hudgens' Presentation

Tom Hudgens distributed and summarized a handout, which describes his suggestions to reduce the town's overall budget. Tom Hudgens apologized that his suggestions could create some controversy. Tom Hudgens commented that his suggestions are not reflective of the quantity or quality of work provided by the current employees or of any individual employee. Tom Hudgens added that the figures provided in the spreadsheet are calculated assumptions for discussion purposes only.

Tom Hudgens explained that his background is forty-four years working on weapon systems and submarines for the government and is now operating a his own contractor business. Tom Hudgens added that he has successfully managed budgets that far exceed the budget for the Town of Canaan.

Tom Hudgens commented that contractors generally lease equipment, which would save the town from having to purchase or maintain equipment. Tom Hudgens added that hopefully the hired contractor would operate his business within the Town of Canaan, which the town would then collect property taxes from.

Michael Capone commented that these suggestions would require voter approval. There was general committee consensus that the January 2009 start date is an optimistic suggestion.

Michael Capone noted that the suggestion for employee contributions towards insurance costs is being considered and reviewed by the Board of Selectmen at this time.

Tom Hudgens offered to meet with the Board of Selectmen or with the town administrator to discuss his suggestions further.

Eleanor Davis requested information regarding the replacement for the police department secretary position. Scott Borthwick summarized that the position has been filled with a temporary interim replacement at \$13/hour and 35 hours/week. Eleanor Davis noted that individuals in this position in the past have not been treated fairly in regards to compensation in lieu of insurance benefits. Scott Borthwick explained that a permanent replacement position has not been considered yet but that the current interim will be leaving for college in late summer.

Chairman's Report

There was no report provided at this time.

Selectmen's Report

Scott Borthwick informed committee members that this is the first year in six years that the town has opted to not borrow funds at this time of year. Scott Borthwick explained that the business administrator at the school district agreed to defer the town's school payment until next month.

Scott Borthwick noted that the town's website is receiving approximately seven hundred hits per day so it appears that voters are staying informed.

Scott Borthwick summarized that the department heads met with Selectmen and the town administrator to review the Capital Improvement Plan and the general consensus from the department heads was that the CIP is not needed since it has not been funded in past years. Sam Frank, Bill Bellion, and Bob Scott have agreed to review the plan and to submit recommendations to the CIP Committee.

Scott Borthwick informed committee members that the town's attorney, Tim Bates, is retiring and that an interview has been scheduled next week with Attorney Bernie Waugh.

Scott Borthwick also summarized that a representative for Senator Sununu's office has provided some good suggestions for funding sources regarding the water treatment plant.

Scott Borthwick concluded that an August 1st deadline date has been set for receipt of department head budgets.

Committee members reviewed the next meeting date and future meeting schedule as follows: September 11th, September 18th, October 2nd, October 16th, November 6th, and November 20th. It was suggested that the meeting schedule should be emailed to committee members and posted on the town's website.

Public Comment

There were no public comments made at this time.

MOTION by Russell Lester and seconded by Denis Salvail to adjourn the meeting at 9:10 P.M.

VOTE: Unanimous in the affirmative

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 Plodzik 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 20th.

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 18th.

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

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
September 18, 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, Selectmen Robert Reagan and Tim Lewis, Chief Bill Bellion, Chief Sam Frank, Bob Scott, Larry Brabant, and the minute taker; Christi Berube.

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

Continuation of the Budget Review

Committee members reviewed the proposed 2009 budget, as presented on the budget worksheet dated September 9, 2008.

Government Buildings Budget

Michael Capone summarized and explained the proposal for a government buildings budget as follows: the salary listed is for Tom Guillette's position; allocation of funds for electricity, heating oil and gas, and water and sewer have been distributed among the various departments for next year; and these estimated costs for electricity, heating oil and gas, and water and sewer are subject to change as the proposed budget is fine-tuned.

Michael Capone explained that the appropriate allocation for the repairs and maintenance line item has not been determined yet. Michael Capone summarized that he has asked Tom Guillette for a list of outstanding repair and maintenance items on the projects list, which Tom estimates to be approximately \$14,000.

Nathan Deleault asked whether the custodial supplies are centrally stored. Michael Capone responded that some items are, such as copier paper, since bulk purchasing provides a cost savings. Eleanor Davis commented that she has found and identified excessive allocation in past years from line items such as this one.

General Government Budget

Michael Capone summarized and explained the proposal for a general government budget as follows: funds were not allocated for the training and education line item since adequate funds are already allocated in the executive budget; the printing and publishing line item was reduced since an expensive maintenance contract on a copier was cancelled; some supplies purchased from the office supplies line item are shared between the various departments; allocation of funds for gasoline and diesel have been distributed among the various departments for next year; the books and periodicals line item has been reduced since many items are now available electronically; the mileage reimbursement was recently increased to \$0.55; the recording fees line item was reduced

to reflect the actual usage since revenue offsets are provided; and the advertising and notices line item has been reduced to reflect actual use.

Michael Capone summarized that the recording fees line item refers to the county records. Nathan Deleault noted that the county fees have increased. Michael Capone offered to find out more about the fees and the revenues generated in order to verify that enough is allocated for this line item.

David McAlister commented that the historian has a wealth of information to share and that the Town Clerk often refers residents to the town historian when the town office is contacted with questions.

Approval of Minutes

Committee members reviewed draft copies of the September 11, 2008, minutes.

MOTION by Russell Lester and seconded by Dave Barney to accept the minutes dated September 11, 2008, as corrected.

Dave Barney suggested that the following sentence be reworded as follows: “Scott Borthwick noted that the Goose Pond Lake Association chose to redirect their allotted funds to the Senior Center” to “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.”

Michael Capone corrected the misspelling of “Avitar”, “cyclical”, and “Plodzik” on page 4. Michael Capone also suggested that the following sentence be reworded as follows: “Scott Borthwick informed committee members that a pipe at the Transfer Station is spilling effluent and needs to be encased in concrete according to the Department of Environmental Services” to “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.”

VOTE: Unanimous in the affirmative

Fire Department Budget

Bill Bellion summarized and explained the proposal for a fire department budget as follows: the part time salaries line item has been increased to reflect the likely increase in services next year; the third quarter payroll is approximately \$5,000 this year and has not been included in the 2008 expenses yet; the equipment maintenance line item should read as the “equipment maintenance and communications” line item; the equipment maintenance and communications line item includes funds for truck testing, radios, and pagers; the vehicle maintenance and repairs line item has been increased since the 20 year-old fire truck has recently failed the pumping capacity test; the dues and subscriptions line item includes funds for mutual aid and HazMat services, as well as, dues to the NH Fire Chief Association; the equipment line item includes funds for turn-

out gear and equipment for the trucks; the fire chief salary was increased to account for the number of meetings and inspections that he attends; the fire chief salary was proposed to the taxpayers in a warrant article last year; the deputy fire chief line item has increased to reflect a second deputy fire chief position; and the training line item was voluntarily decreased last year due to the default budget; a \$2000 allocation for the training line item has been the requested and approved allocation in past years.

Bill Bellion noted that the fire house building is used by many different groups although the building expenses are now included in the fire department budget.

There was general discussion that the 20 year-old fire truck has recently failed the pumping capacity test and that a quote of \$70 per hour was offered to diagnose the problem. Bill Bellion explained that he first needs clarification whether certification standards have changed or about to change regarding older trucks before any work is completed. Bill Bellion advised that the Town of Canaan should not operate an uncertified fire truck for liability reasons although there is no law that specifies that fire trucks are required to be certified. Bill Bellion added that the decision was made last year to expend \$6,500 for repairs on this fire truck and that he was hoping for a longer extended life span with this truck. Bill Bellion clarified that the other two fire trucks were manufactured in 1998 and 2000.

Denis Salvail commented that the certification should not be solely based on the age of a fire truck since some towns could have fire trucks that are rarely used and are in practically new condition despite their age.

There was general note that a capital reserve fund with \$220,000 exists but that voter approval is needed in order to expend the funds for a new fire truck. Bill Bellion clarified that the cost for a new, equipped, standard fire truck would be approximately \$250,000.

Denis Salvail asked whether any consideration has been given to billing residents for services. Bill Bellion responded no. Bill Bellion added that no other town is billing for services and that the Town of Canaan should not be the first to start billing. Bill Bellion explained that the only billable instance at this time is a brush fire when it becomes uncontrolled and fire department services are required. There was general discussion whether repeat offenders of chimney fires or damages caused by drunk drivers, for example, should be billable instances.

Dave Barney asked what the outcome has been regarding private roads and Class VI roads. Bill Bellion responded that he has been inspecting and advising in various situations, collecting waivers, and submitting the appropriate paperwork.

Emergency Management Budget

Bill Bellion summarized and explained his proposal for the emergency management budget as follows: the salaries for the director and assistant director positions are \$2,200 and \$1,100 respectively; Sam Frank is the Assistant Director of Emergency Management; the emergency management line item is funds for supplies such as cots, blankets, and

food; approximately \$800 will be used from this emergency management line item this year in order to satisfy a federal mandate regarding use of reflective vests; and the dispatch service line item includes funds needed to reconfigure the portable radios.

Bill Bellion summarized that consideration was given to installing a separate antenna on the fire house for dispatch services but that the initial \$4,000 cost and the approximate \$600 monthly cost made the idea cost prohibitive at this time.

Bill Bellion noted that a small trailer with emergency supplies is already loaded and stored in the fire house when the need arises. Bill Bellion also noted that grant funds were awarded and will be used to purchase of bay station radios.

Police Department Budget

Sam Frank summarized and explained his proposal for the police department budget as follows: negotiation of a three year contract with the full time police officers has not been started yet; the negotiated contract is presented to the voters in a warrant article; the full time on-call salary line item was estimated at \$2.75 per hour for 4 hours per night for 365 days, however, this line item is part of the negotiated contract; the part time salaries line item was increased in order to consider increases; the police chief salary line item was increased 11.69 percent; the overtime line item is calculated by the average full time hourly rate multiplied by 1.5 and based on 400 hours for the year; the overtime line item also includes twelve holidays multiplied by 1.5; the software support line item is funds for computer support; the departmental supplies line item includes funds for fingerprinting supplies, forms, film, and tape, for example; the equipment line item includes funds for radios, flares, and \$2,400 for three ballistic vests replacements, for example; and the training line item includes \$2,500 for the SWAT team membership and funds for range supplies, academy and instructor fees, and mandatory training, for example.

Sam Frank explained that he is the second or third least paid employee in the police department after all the overtime pay is considered yet he has additional responsibilities as chief. Sam Frank added that his chief position is the least paid chief position in the area.

Sam Frank clarified that the police department has six cell phones; one in each cruiser and one for the chief position.

Shirley Packard asked how many tazers are currently owned by the police department. Sam Frank responded eight and explained that he is hoping to add three more next year to have a total of eleven.

Craig Lawler asked what purchases are being considered for the rest of this year's budget. Sam Frank responded that replacement radio batteries, replacement flashlights, a video recorder, and a digital camera are examples of needed items.

David McAlister asked whether the radio frequency for the police department is a secured frequency. Sam Frank responded no and explained that the cost for a secured frequency is cost prohibitive. Sam Frank added that an option exists to switch to digital radios but that any user of the current radio frequency is supposed to have a license for the channel.

Sam Frank clarified that the police department currently has five full time police officers and five part time police officers although six full time and seven part time positions exist.

Shirley Packard asked whether the town's police department equipment is being used by the SWAT team members. Sam Frank responded yes. Sam Frank explained that his position on the SWAT team is a Control Chief of the Special Operation Unit.

Nathan Deleault asked how much time is devoted to the SWAT team incidents. Sam Frank responded that SWAT team participation is approximately eight to ten times per year at three or four hours each and that the participating police officers are paid overtime pay from the town's budget. (about \$1000.00)

Bill Bellion noted that the SWAT team often participates in search and rescue incidences.

Sam Frank explained that the benefit of having police officers participate on the SWAT team is the mutual aid that is available when a major incident occurs in the Town of Canaan. Sam Frank noted that there have been two major incidents in Canaan during the past few years where mutual aid was needed. Sam Frank explained that the State Police only has twenty-five police officers and they are not always readily available when called for assistance. Sam Frank provided a brief explanation of the governing board that sets the rules and regulations of the regional SWAT teams and of the monthly training schedule, which requires a minimum of one eight hour training day for each participating member of the SWAT team.

Eleanor Davis asked whether the administrative assistant position has been filled by the former employee. Sam Frank responded yes.

Sam Frank summarized that the balance remaining in the uniforms line item will be used to purchase clothing for the new police officer starting in November and for replacement items, such as winter shirts and ties that the current police officers may need.

Denis Salvail asked why the \$2,500 membership fee for the SWAT team is not accounted for in the dues and subscriptions line item. Sam Frank responded that he inherited the accounting from the past police chief and that he does not really have a preference where the membership fee is accounted for in the budget.

Sam Frank noted that the cost of ammunition has tripled for next year.

Mechanic Budget

Larry Brabant summarized that he tried to submit a level funded budget but that the costs for parts, supplies, and petroleum products have significantly increased. Larry Brabant summarized and explained his proposal for the mechanic budget as follows: the salary line item includes a three percent increase; the repairs line item includes funds for inspections and contracted services; the tools line item was voluntarily decreased last year due to the default budget; and a \$5000 allocation for the tools line item has been the requested and approved allocation in past years.

Larry Brabant estimated that he oversees the repair and maintenance of approximately thirty-six pieces of town owned vehicles and equipment.

Shirley Packard asked whether any consideration has been given to completing inspections in-house. Larry Brabant responded that he recommends that an outside party complete the inspections as an additional check on safety since repairs and maintenance already keeps him busy full time. Larry Brabant added that the equipment that he would need to complete inspections would be costly.

Highway Budget

Bob Scott summarized and explained his proposal for the highway budget as follows: the road agent salary line item was increased 4.9 percent; the contracted services line item includes funds for equipment rental; the full time salaries line item includes an increase of three percent; the overtime expenditure for 2008 was for plowing needs last January through March plus time spent during the past major rainstorm; funds for the uniforms line item has not been determined yet since the current contract with Crown will expire next May and a clothing allowance for the highway and transfer station employees and mechanic is being considered; the supplies line item has increased since supply costs continue to increase for signs and posts, for example; the paving line item is a new line item for next year; there was general explanation that the block grant road reconstruction are state funds provided from gas taxes and that these funds are used before the funds allocated in the road reconstruction line item are used; the allocation for road salt was determined by a state bid; and the culvert line item was increased due to the increased cost for culverts.

Craig Lawler asked why the snow plowing is not a contracted service. Michael Capone responded that he spent some time researching this issue since Tom Hudgens had presented this idea in his proposal to the town last April. Michael Capone summarized that this idea does not seem to be a likely option since he could only find one contractor who offers this service in the State of NH. Russell Lester added that he would rather support a budget that provides incomes for the local residents. Also mentioned was the hassle that a contractor could cause in regards to road management.

There was general discussion that there are currently 6.5 highway employees at this time.

Michael Capone noted that approximately \$92,000 has been spent for highway fuel so far for 2008.

Bob Scott explained that the road reconstruction line item is funds that are used for stonework when the road ditches are washed out, for example. Bob Scott expressed that he is surprised to see \$175,000 allocated in the road reconstruction line item but that the highway department could definitely use the extra funds to improve the roads. David McAlister suggested that perhaps that line item could be level-funded for next year if a dire need does not exist.

There was general discussion that the town purchased 8,600 yards of gravel with last year's budget funds from a Clark Hill property but that the town is responsible for loading and trucking the material. Bob Scott summarized that the material is currently being stored at the crushing site and that the highway crew is loading and trucking the material to road projects as needed.

Dave Barney asked whether the current road repairs coincide with the road plans that have been drafted in the recent past. Michael Capone responded yes and no and explained that the town is fortunate to have an experienced and knowledgeable road agent who can easily identify the priorities and does not need to be necessarily directed by a plan.

Russell Lester asked whether Michael Capone is aware of any government laws that prevent town budgets from displaying the benefit costs of individual employees. Russell Lester suggested that a law called 100A has been referenced to him in the past. There was general discussion that the benefit costs of employees have been routinely lumped as one sum in the budget in order to ensure employee privacy. Michael Capone offered to research the matter.

Planning Board Budget

Michael Capone noted that the legal fees, postage, and advertising line items have revenue offsets.

Michael Capone also noted that the funds allocated in the books and publications line item are for the updated handbooks that the board members receive annually regarding RSAs. Michael Capone explained that the handbooks are purchased in bulk, are distributed in October or November, and that the town receives a substantial discount through the bulk purchasing opportunity.

Selectmen's Report

There was no report provided at this time.

Chairman's Report

There was no report provided at this time.

Public Comment

Dave Barney suggested that the letters to the area regional agreements need to be mailed.

There was general review of the upcoming agendas.

David McAlister summarized that notices regarding the vacated Budget Committee position were posted at five town locations and that no one has contacted him or Russell Lester regarding the position.

Michael Capone clarified that the departments have received keys to activate the gas and diesel pumps at the State Highway Department shed on Route 118. Michael Capone explained that the town is billed from the Concord offices from log sheets that are manually filled out by the drivers. Michael Capone summarized that the cost savings has been seen as high as \$0.30 per gallon and that departments now have a choice to go to whichever fill-up site that offers the lowest per gallon price.

The next meeting is scheduled on October 2nd.

MOTION by Russell Lester and seconded by Denis Salvail to adjourn the meeting at 10:04 P.M.

VOTE: Unanimous in the affirmative

TOWN OF CANAAN
BUDGET COMMITTEE MEETING
October 2, 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, Al Posnanski, Glenn Carey, Cindy Neily, Amy Thurber, Wally and Carol Medeiros, Selectmen Robert Reagan and Tim Lewis, and the minute taker; Christi Berube.

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

Budget Review

Committee members reviewed the proposed 2009 budget, as presented on the budget worksheet dated September 9, 2008.

Library Budget

Cindy Neily distributed an updated copy of the 2008 budget worksheet and another library version of their budget request totaling \$115,874 for 2009. A page of information and statistics for 2008, dated October 1, 2008, was also distributed for review.

Cindy Neily explained that the salary and benefit costs will be determined by the Town's Board of Selectmen.

There was general explanation that the contracted services line item is funds for the IT contract to maintain and troubleshoot computer and software issues as they occur.

Amy Thurber noted that the following increases: the dues and subscriptions line item has been increased due to increased costs; the special programs line item has been increased in order to provide more guest speakers and events locally; and the education and conferences line item has been increased to provide more opportunity for staff professional development.

There was general explanation that the postage and printing line item has decreased since the newsletter is no longer published and since most patrons have been good about returning their books on time.

Craig Lawler asked whether the allocation for books could be reduced. Cindy Neily responded that this allocation amount has remained constant for years despite the fact that the cost for books has increased.

Craig Lawler asked whether volunteers could be recruited to complete the custodial needs at the library. Amy Thurber responded that many volunteers are utilized at the library but that no one ever offers to clean the toilet on a regular basis. Amy Thurber added that the

library staff already has a number of responsibilities that keeps them occupied for the entire day and that they are better utilized doing library tasks than cleaning tasks.

Craig Lawler asked whether the library has an endowment, receives grant funding, or is financially supported by the State of NH. The general response was that the library does not have an endowment and is not supported by the State of NH.

Cindy Neily summarized that various donations solicited and collected from private foundations and local residents have totaled approximately \$237,000 over the past two years for the renovation of the library building. These funds have been and will be used to replace windows, to meet Americans with Disabilities Act regulations regarding the children's space, and to renovate the basement level. David McAlister commended the library staff for their willingness and success to fundraise the necessary funds needed to repair a town building. Cindy Neily responded that the town library is an important space to provide in a community and that the library has received a huge level of support. Amy Thurber added that the library provides services and opportunities that residents should take advantage of, such as free computer access and high speed and wireless internet.

David McAlister also noted his appreciation for receiving the information and statistics handout since this is information that the Budget Committee never use to receive long ago but definitely helps in justifying the library's appropriation request.

Cindy Neily noted that the Brundage Foundation has contributed \$1,000 to the 2009 operating budget and another \$5,000 to the building renovation project.

Cindy Neily asked whether the Board of Selectmen will have decided on salary increases and benefits by the time the library budget is considered again by the Budget Committee. Scott Borthwick responded that the Board of Selectmen hopes to have their budget completed by October 16th, which is before the Budget Committee will deliberate on the library's budget.

Cindy Neily clarified that the Town of Dorchester did not contribute \$500 this year as they had last year.

There was general discussion that the Town of Grafton still refuses to contribute funds to Canaan's library despite the fact that thirteen percent of Canaan's library borrowers are Grafton residents. It was noted that the town of Grafton has their own public library. Amy Thurber noted that funds are not requested from the Town of Enfield since Enfield allows Canaan residents to borrow books from their library.

Recreation Budget

Wally Medeiros distributed a handout summarizing his 2009 proposed budget for parks and recreation.

Craig Lawler asked what properties are maintained by the recreation budget. Wally Medeiros responded the town common, the beach, and Williams Field.

Wally Medeiros explained that the participation fee for the summer programming is twenty-five dollars per week. Carol Medeiros added that one adult is needed for every three to four children per state law. Wally Medeiros verified that the summer program is self-supporting.

There was general question whether the lighting at the horseshoe pits is paid for by the Town of Canaan. Robert Reagan clarified that the Town of Canaan pays for the first \$1,000 in lighting bills and then the Williams Field Association is billed for the rest. Eleanor Davis noted that Gloria Koch has a breakdown of all the meter readings for electricity.

Transfer Station and Solid Waste Budget

Glenn Carey explained that his budget proposal for 2009 is level funded except for small salary increases.

Craig Lawler asked why the salary increase for the manager is higher than the other transfer station employees. Glenn Carey responded that he factored an equal salary increase for every transfer station employee, including himself, and that the observed difference in allocation amounts is due to the reduction in hours at the transfer station.

Glenn Carey explained that the supplies line item includes funds for baling wire, trash bags, and work gloves, for example.

Glenn Carey clarified that he returned \$1,500 from the site improvement line item when the default budget was implemented for this year. Glenn Carey explained that funds allocated in this line item will only be used for immediate site needs in order to keep the transfer station operational. There was general discussion that the Capital Improvement Plan includes the funds needed to repair the buildings and improve the site of the transfer station. Glenn Carey estimated that \$50,000 would be needed in order to complete all of the repairs and improvements.

Shirley Packard asked what were the cost avoidance revenue and general revenue totals. Glenn Carey responded that approximately \$15,000 is collected from each.

Nathan Deleault requested an explanation of the last year's approved warrant article. The general response was that twenty-five percent of the revenue is deposited in a special reserve fund, which requires voter approval to expend these funds on the transfer station. The balance of the revenue goes to the general fund.

Denis Salvail asked what the fees total from bulky furniture, appliances, etc. Glenn Carey responded that he does not recall an actual number. Eleanor Davis added that she has a report from Gloria Koch that states an approximate figure of \$21,000 for total revenues collected so far this year from the transfer station.

Nathan Deleault asked whether any consideration has been given to charging residents per solid waste weight or per bag placed in solid waste. The general response was yes but that the option is not considered feasible at this time.

Advertising and Regional Budget

David McAlister explained that he has copies of the responses that have been received from all the regional agencies requesting funds from the town's 2009 budget. David McAlister summarized the budget requests as follows: Grafton County Senior Citizens Council - \$8,000; Advanced Transit - \$7,600; West Central Services - \$3,300; ACORN - \$500; Goose Pond Lake Association - \$2,000; Canaan Street Lake Association - \$1,000; Mascoma Visiting Nurses - \$15,250; CASA - \$500; Mascoma Health Initiative - \$4,489; and Tri-County CAP Inc. - \$3,648. There was general clarification that this is the first year that Tri-County CAP Inc. has requested funding from the Town of Canaan. This agency assists residents with fuel assistance, homeless outreach, cold weather programs, and transitional housing.

Russell Lester thanked Michael Capone for drafting and sending out the letters to the regional agencies.

Eleanor Davis noted that many of these regional agencies are already supported by the county tax dollars.

Dave Barney noted that a set of standardized questions has been mailed to the regional agencies in the past with the letter so that board members have a better understanding of how these agencies are funded.

Dave Barney summarized his memo dated October 1, 2008, regarding Goose Pond's request for \$2,000 from the 2009 town budget.

Nathan Deleault asked whether the boat launch on Goose Pond is state owned and maintained. Dave Barney responded yes.

Dave Barney explained that a fee to help prevent invasive species introduction and spread is included in the state's boat registration fees. Denis Salvail asked how these funds are used or distributed. Dave Barney responded that he expects that the funds are used for research. It was also suggested that the state probably makes funds available through grant applications.

Ambulance Budget

Jim Rancore and Carol Goodman distributed a handout detailing their projected 2009 budget for the Canaan F.A.S.T., Inc.

Carol Goodman explained that the request for \$55,000 is level-funded from last year and that \$5,000 was returned when this year's default budget was implemented.

Carol Goodman explained that the Canaan F.A.S.T. squad provides mutual aid for the Towns of Grafton and Enfield. Carol Goodman also clarified that Canaan F.A.S.T. squad only services half of the Town of Dorchester and that the Towns of Wentworth and Warren services the other half.

Carol Goodman summarized that there are federal emergency management grant funds available and that she has been meeting with Chief Bellion and Chief Frank regarding a renovation of the existing fire station in order to accommodate all three emergency services. Carol Goodman added that she has also discussed these preliminary ideas with the Town Administrator. Carol Goodman explained that the Canaan F.A.S.T. squad has contributed their own funds to initiate a study and preliminary site plans. Carol Goodman summarized that the proposed facility would include bunkrooms, meeting rooms, conference space, office space, and emergency showers for hazardous material exposure, for example. Carol Goodman commented that moving the police department into a renovated emergency services building would possibly free up office space for the town office.

Eleanor Davis commented that the site of the existing fire station is property owned by the Town of Canaan. Eleanor Davis expressed concern that grant funding could have implications that could impact the town's property and existing town garage. There was general concern and surprise expressed by various committee members that the Budget Committee, the Board of Selectmen, and the Capital Improvement Plan Committee are not involved in these preliminary discussions.

Water and Sewer Budget

There was general consensus to reschedule the review of the water and sewer budget until the water and sewer personnel are present.

Personnel Administration Budget

Michael Capone summarized that the allocation for the health insurance line item is not known yet since the Board of Selectmen is considering a variety of options in hopes of lowering the town's premium costs. There was general clarification that the Town of Canaan provides one hundred percent coverage for the employees and ninety-five percent for their spouses and/or families. Spouses and family plans for the police officers are covered ninety-three percent by the Town of Canaan.

Nathan Deleault asked whether health savings accounts are being considered. Michael Capone responded that health savings accounts have been considered but that insurance agents have cautioned him that the town's employees should not "bank" all their health insurance coverage in this one plan option.

Craig Lawler requested a breakdown of the health insurance costs for the employees versus the employees' spouses and families. Michael Capone responded that he can provide the information but that some time will be needed in order to complete the task.

Insurance Liability Budget

Michael Capone explained that the insurance liability premium was increased \$1,800 this year since he found several items that had not been appropriately included, such as a fire engine. Michael Capone clarified that insurance liability covers all vehicles, equipment [i.e. York rake], and buildings. Michael Capone explained that he included some extra funds in next year's allocation since the insurance liability is a three year contract, which includes a clause that the premium could increase within that three year period.

Debt Service Budget

Michael Capone handed out copies of page 45 of the 2008 Town Annual Report. Michael Capone explained that the debt service allocation for 2009 was estimated based on the 2008 debt service information provided in the annual report. Michael Capone noted that several capital items will be paid off and drop from the list after this year.

CIP Budget

There was no review of this budget at this time since there was no CIP report to review.

Dave Barney excused himself from the meeting at 8:55 P.M.

Approval of Minutes

Committee members reviewed draft copies of the September 18, 2008, minutes.

MOTION by Russell Lester and seconded by David McAlister to accept the minutes dated September 18, 2008, as corrected.

There was general note that "\$275" should be corrected to "\$2.75" on page four.

Nathan Deleault requested that the figure of \$1,000 be added to the minutes as the approximate cost that Chief Frank quoted for overtime pay regarding the SWAT team.

VOTE: 8 YES 0 NO 1 ABSENT [Dave Barney]

Russell Lester offered to make these corrections to the minutes. There was general committee consensus for Russell Lester to make these corrections.

Chairman's Report

David McAlister summarized that no one has contacted him or Russell Lester regarding the vacated Budget Committee position.

Selectmen's Report

Scott Borthwick informed committee members that the new well drilled at the water and sewer plant is working out well and is producing twenty gallons per minutes at six hundred feet. An eight hour pump test is scheduled for next Tuesday. Funds for this drilling will be taken from the emergency water and sewer budget.

Scott Borthwick noted that the paperwork on the force main at the transfer station was all approved and completed.

Scott Borthwick explained that \$1,850 was recovered from equipment that was sold through a sealed bid process. A power jack, the aluminum docks, and a heater were sold. A heater is still available at the minimum bid.

Scott Borthwick informed committee members that the State of NH has condemned the one lane bridge on North Lary Road. Six residents, including four year round residents, are affected by this closure. Barricades have been set up. Scott Borthwick summarized that the town is waiting for state approval to build a new bridge. Scott Borthwick explained that it is the steel girders that need replacing and that the total repair cost is estimated between \$25,000 and \$30,000.

Public Comment

Eleanor Davis noted that the garage doors at Cozy Corners appear to be working fine and that committee members should consider this point when deliberating on the recreation budget.

MOTION by Russell Lester and seconded by Denis Salvail to adjourn the meeting at 9:05 P.M.

VOTE: Unanimous in the affirmative

TOWN OF CANAAN
BUDGET COMMITTEE MEETING
October 16, 2008
APPROVED COPY
Canaan Fire Station

Members present: David McAlister - Chair, Denis Salvail, Dave Barney, Nathan Deleault, Eleanor Davis, Shirley Packard, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Selectmen Robert Reagan and Tim Lewis, Nelson Therriault, Cindy Neily, and the minute taker; Christi Berube.

David McAlister called the meeting to order at 7:03 P.M. and took attendance. David McAlister explained that Nelson Therriault will be present this evening to review the welfare budget.

Committee members received revised copies of the 2009 budget worksheet dated October 15, 2008, which included the Board of Selectmen's recommended 2009 budget.

Eleanor Davis requested copies of the 2009 proposed revenues for the next meeting.

Dave Barney noted that the requested budget funds for the advertising and regional line items are missing. Michael Capone noted that he has received several budget requests after the deadline date from current organizations listed in the budget. David McAlister requested copies of those late requests. Dave Barney and Shirley Packard requested copies of all the letters and the supporting documents from the various organizations requesting budget funds.

Dave Barney asked for clarification of what the 2008 budget column represents. Michael Capone responded that the 2008 budget column represents the adjusted default budget, as the Board of Selectmen has revised it throughout the year.

Scott Borthwick clarified that the Board of Selectmen has opted to level fund budgets to what will be spent for this year and to provide no salary increases in hopes of staying within the default budget figure and having the voters approve the budget.

Dave Barney suggested that the Budget Committee could deliberate on the individual department budgets and could decide at the end of the deliberation sessions whether a specific percentage could be offered for salary increases. It was noted that the outcome of the contract negotiation with the police department would be known by then.

Welfare Budget

Nelson Therriault noted that housing rentals range from \$650 to \$1,300 in the Town of Canaan but that the Board of Selectmen has authorized a \$500 cap for any resident needing assistance.

Nelson Therriault clarified that his office hours are from 9 A.M. to noon.

There was general question whether a state law exists that prevents electrical companies from shutting off power to any residency during the winter months.

Eleanor Davis informed board members that the percent increase on social security payments will be 5.8 percent for next year.

Nathan Deleault asked whether Nelson Therriault directs residents to organizations for assistance. Nelson Therriault responded that he has residents file for food stamps when applicable and directs residents to LISTEN since they have an established payback system. Nelson Therriault noted that some individuals do reimburse the Town of Canaan when assistance is offered to them.

MOTION by Shirley Packard and seconded by Dave Barney to approve a 2009 budget figure of \$60,200 for the welfare budget.

There was no vote taken for this motion.

Nelson Therriault commented that he could probably make do with the Selectmen's recommended budget since this year's assistance figures are comparable to last year's assistance figures. Nelson Therriault expressed concern that residents could end up needing assistance from the Town of Canaan if supplies run out at LISTEN or the Senior Center. Nelson Therriault suggested that the Budget Committee should perhaps support these organizations with budget funds.

AMENDED MOTION by David McAlister and seconded by Shirley Packard to approve a 2009 budget figure of \$56,921 for the welfare budget.

VOTE: 6 YES 1 NO [Dave Barney]

Executive Budget

Michael Capone clarified that the administrative support line item is funds for Sharon's position. Michael Capone explained that the printing line item was reduced since newsletters are no longer being mailed.

MOTION by Craig Lawler and seconded by Dave Barney to approve a 2009 budget figure of \$13,701 for the executive budget.

VOTE: Unanimous

Town Administrator Budget

Michael Capone noted that the \$4,545 presented in the 2009 department budget column is a miscalculation.

Nathan Deleault thanked the Town Administrator for saving the town some funds by electing not to take retirement benefits or requesting a salary increase.

MOTION by Nathan Deleault and seconded by Dave Barney to approve a 2009 budget figure of \$60,801 for the town administration budget.

VOTE: Unanimous

Meeting Budget

There was general question whether the town should pay FICA for the Town Moderator position since the position is an independent contractor. Michael Capone offered to follow-up with this concern.

Dave Barney asked whether one dollar should be added the miscellaneous line item. David McAlister responded that he would rather leave the line item blank since there is no need to designate any funds to that line item.

MOTION by Craig Lawler and seconded by Nathan Deleault to approve a 2009 budget figure of \$3,740 for the meeting budget.

VOTE: Unanimous

Town Clerk/ Tax Collector Budget

It was noted that Ann LeBree is the Assistant Town Clerk and that she does a great job.

There was general discussion that the postage line item was increased since the 2008 allocation is mostly used up and the last tax bill still needs to be mailed.

Michael Capone explained that the software support line item includes the new rates for BMSI.

MOTION by Craig Lawler and seconded by Dave Barney to approve a 2009 budget figure of \$71,878 for the town clerk and tax collector budget.

VOTE: Unanimous

Election Budget

There was general note that there is only one election next year. David McAlister commented that the meals provided to the town officials during the day of the election are excellent and that the cook provides a true service to the town at a minimal cost.

MOTION by David McAlister and seconded by Craig Lawler to approve a 2009 budget figure of \$3,250 for the election budget.

VOTE: Unanimous

Financial Administration Budget

Eleanor Davis noted that the bookkeeper opts to not receive retirement benefits by working less than thirty two hours per week.

Michael Capone explained that consideration has being given to going out to bid for auditing services but that the current auditor is well liked, reputable, and does a good job for the Town of Canaan.

Michael Capone noted that the service contracts line item includes new rates for BMSI.

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$70,532 for the financial administration budget.

VOTE: Unanimous

Budget Committee Budget

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$2,120 for the Budget Committee budget.

There was no vote taken for this motion.

There was general discussion that the \$45 in the 2008 expenses line item is for Eleanor Davis' seminar training since Dave Barney appears to have paid for his own participation.

Dave Barney suggested that the FA Budget Committee line item be reduced to \$100 since funds are not being utilized from this line item.

AMENDED MOTION by Dave Barney and seconded by David McAlister to reduce the FA Budget Committee line item to \$100 and to approve a 2009 budget figure of \$1,720 for the Budget Committee budget.

VOTE: Unanimous

Assessing Budget

It was noted that Teri Purcell is the Info Coordinator.

Michael Capone noted that the funds included in the software support line item reflect a quote that was received.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$90,158 for the assessing budget.

VOTE: Unanimous

Treasurer Budget

There was general discussion that the office supplies line item includes funds for special envelopes that is used by the Treasurer. Michael Capone noted that an inventory system for office supplies is a side project that he has considered but that the results may not be worth the time and effort.

Eleanor Davis suggested that the Treasurer should meet with the Budget Committee once a year.

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$5,940 for the treasurer budget.

VOTE: **6 YES** **1 NO** [Eleanor Davis]

Trustees of the Trust Fund Budget

Cindy Neily explained that the \$1,000 in the legal line item is funds needed to file a petition with the Superior Court regarding a bequest. Cindy Neily explained that \$108,000 has accumulated in a trust fund that is used to service the water system at one cemetery. The Trustees of the Trust Fund are hoping to use the surplus of funds towards other possible water systems in the other cemeteries, if the court permits it.

David McAlister asked whether the funds could be used for headstone repair. Cindy Neily responded probably not since the language in the bequest specifies the use of the funds for a water supply. Cindy Neily added that an estimate is being collected as to what the cost would be to replace the current water supply system at the one cemetery in case the current one fails.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$1,593 for the Trustees of the Trust Fund budget.

VOTE: **6 YES** **1 NO** [Craig Lawler]

Software & Support and Data Processing Budget

Michael Capone explained that the software and support line item includes the monthly fees for Valley Net to continue maintaining the town's website and mailboxes.

Michael Capone explained that this budget is needed since backup funds need to be allocated in case of a computer breakdown in any one of the departments.

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$4,045 for the software & support and data processing budget.

VOTE: **Unanimous**

Legal Budget

Michael Capone noted that the town attorney line item is based on an hourly rate, whereas, the prosecutor line item is based on a fixed fee.

Craig Lawler asked why the prosecutor line item is not part of the police department's budget. There was general discussion that a separate prosecutor line item was created since it was thought that police officers were more valuable at work than in court.

There was general clarification that the prosecutor does not work for the District Attorney. Michael Capone explained that Chris O'Connor has one part time assistant and has office space at the Hanover Police Department. Michael Capone added that Chris O'Connor represents six local towns and that the fixed fee is prorated according to the percentage of cases that he prosecutes for each town.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$50,000 for the legal budget.

VOTE: **4 NO** [Deleault, Packard, Davis, and Lawler]
 3 YES [Barney, McAlister, Borthwick]
 Motion Failed

There was general discussion and consensus to ask Chris O'Connor to come to the next Budget Committee meeting and explained the rationale for the \$30,000 budget figure for 2009.

Denis Salvail arrived at 8:20 P.M.

MOTION by Nathan Deleault and seconded by Dave Barney to reconsider and approve \$20,000 for the town attorney line item for the legal budget.

VOTE: **6 YES** **2 NO** [Denis Salvail and Shirley Packard]

Eleanor Davis commented that receiving grant funds in order to increase the amount of time that police officers are patrolling Route 4 and Route 118 for traffic violations could result in an increase in the prosecutor's fee.

Personnel Administration Budget

Michael Capone explained that the final budgeted figure for health insurance has not been determined yet and that a number of options remain available that the Board of Selectmen will consider once the contract negotiation is settled with the Police Department.

Michael Capone noted that the new rates for life insurance have not been received yet.

Michael Capone explained that the actual cost for workers compensation depends on the mix of employees and that a credit is usually applied the following year.

There was general clarification that the health and safety line item is for items such as steel toed boots and safety glasses.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$348,750 for the personnel administration budget.

VOTE: Unanimous

Planning Board Budget

Michael Capone explained that the first three line items were reduced to one dollar since there has been no activity in these line items this year.

There was general discussion that the Planning Board has offsetting revenues from the application fees that they collect.

Michael Capone explained that the books and publications line item are funds for the land use rules book that are purchased cooperatively in order to reduce the unit cost.

Michael Capone explained that the advertising line item is for legal notices regarding sub-divisions, which are eventually billed to the applicant. Denis Salvail asked whether the Board of Selectmen would use the Planning Board budget as a “cushion fund” when the intention of these line items are for accounting and reimbursement purposes only.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$1,803 for the Planning Board budget.

There was no vote taken on this motion.

MOTION by Craig Lawler and seconded by Nathan Deleault to reduce the books and publications line item to \$100.

VOTE: 6 YES 2 NO [Dave Barney and Eleanor Davis]

MOTION by Craig Lawler and seconded by Nathan Deleault to approve a 2009 budget figure of \$1,403 for the Planning Board budget.

VOTE: 5 YES 3 NO [Davis, Salvail, and Deleault]

Government Buildings Budget

There was general clarification that funds for heating oil and gas have been reallocated to the department budgets for next year.

Michael Capone explained that the repairs and maintenance line item includes funds for all of the buildings minus the major renovation repairs. Michael Capone summarized that completion of repairs is limited by the manpower available. Michael Capone added that the allocated amount includes a list of outstanding repair and maintenance projects that Tom Guillette has provided.

MOTION by David McAlister and seconded by Dave Barney to approve a 2009 budget figure of \$82,882 for the government buildings budget.

Eleanor Davis expressed concern that she can not support this budget since the position was never voted on and approved by the voters.

VOTE: 7 YES 1 NO [Eleanor Davis]

Cemetery Budget

MOTION by Nathan Deleault and seconded by Craig Lawler to approve a 2009 budget figure of \$35,391 for the cemetery budget.

Michael Capone summarized that Phil Carter has told him that there could be possible reductions to the cemetery budget but that he should discuss these possible reductions first with the Trustees of the Trust Fund.

There was no vote taken for this motion.

Eleanor Davis noted that the FICA and Medicare line item appears to be calculated incorrectly.

Eleanor Davis expressed concern that the salary line item should be recalculated since the allocation is based on twenty-six weeks and she does not believe that twenty-six weeks of work is completed during the year.

MOTION by Dave Barney and seconded by Craig Lawler to table the deliberation of the cemetery budget until the next meeting.

VOTE: Unanimous

Insurance Budget

Michael Capone explained that the 2008 budgeted figure was underestimated since several items were mistakenly not covered by the insurance policy. Michael Capone added that he included the nine percent increase that is included in the three year contract.

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$47,091 for the insurance budget.

VOTE: Unanimous

Advertising and Regional Budget

There was general committee consensus to postpone the deliberation of the Advertising and Regional budget for clarification

MOTION by Dave Barney and seconded by David McAlister to postpone the deliberation of the advertising and regional budget until the budget worksheet includes the requested figures and copies of the letters and of the supporting documents are distributed to committee members wanting copies.

David McAlister noted that copies will be available in the town office for committee members to pick up.

VOTE: 6 YES 2 NO [Craig Lawler and Eleanor Davis]

General Government Budget

Michael Capone summarized that the telephone and fax allocation is based on usage.

Craig Lawler asked whether phone calls can be tracked. Michael Capone responded that he is not sure whether the current phone system has the capability of tracking phone calls.

Michael Capone clarified that the \$30,000 figure includes the cost for fourteen cell phones. Michael Capone added that the Fire and Police Departments require cell phones to secure private communications.

Denis Salvail asked whether the Town of Canaan has a policy regarding phone use. Michael Capone responded that he will need to check and find out.

Michael Capone noted that the IRS has a mandate that personal calls on the town's phones are a taxable benefit to the employee.

There was general discussion and clarification that the fourteen cell phones are distributed to the following people or departments: six to the Police Department; 4 to the Fire Department; 1 to the cemetery; 1 to Alan Hill; 1 to the Road Agent; and 1 to the Town Administrator. Michael Capone noted that he prefers to use his own personal cell phone rather than using the one from the town.

Michael Capone summarized that he adjusted the cell phone contract from 4,500 minutes to 2,500 minutes for an \$80/month savings.

MOTION by David McAlister and seconded by Dave Barney to approve a 2009 budget figure of \$48,785 for the general government budget.

VOTE: 7 YES 0 NO 1 ABSTAIN [Eleanor Davis]

Approval of Minutes

Committee members reviewed draft copies of the October 2, 2008, minutes.

MOTION by David McAlister and seconded by Dave Barney to accept the minutes dated October 2, 2008, as corrected.

Dave Barney corrected the misspelling of Lary Road on the last page.

Eleanor Davis requested that the last sentence of paragraph three on page five be revised to read as follows “There was general concern and surprise expressed by various committee members that the Budget Committee, the Board of Selectmen, and the Capital Improvement Plan Committee are not involved in these preliminary discussions.”

Dave Barney suggested that the first sentence under the CIP Budget heading should read as follows: “There was no review of this budget at this time since there was no CIP report to review”.

Scott Borthwick corrected on page six that the “paperwork” on the force main at the transfer station was all approved and completed.

Eleanor Davis suggested adding the word “were” after the word “totals” in the third paragraph of page three.

Michael Capone corrected in the second paragraph on page five that his position is the Town Administrator.

VOTE: Unanimous

Chairman’s Report

Dave Barney requested that the November 6th agenda be forwarded to him for the town’s website.

David McAlister commended committee members for staying on track and doing very well with the budget review process. David McAlister noted that the committee is ahead of schedule at this time. Eleanor Davis added that the newly elected Board of Selectmen and current Town administrator has been very helpful.

Selectmen’s Report

Scott Borthwick informed committee members that the logging operation behind the Transfer Station is about to start, which will generate some revenue for the town.

Scott Borthwick summarized that the new well drilled at the water treatment plant is still within the testing phase. The eight hour pump test was completed and a final figure of eighteen gallons per minute was determined. Scott Borthwick explained that the next step is an application to the DES for a small water system withdrawal and a 48 to 72 hour test to monitor the water levels of the surrounding residential wells. Additional water sample testing is also needed. There was general explanation that the hope is to have the DES accept this well as a water source for water to be blended with the lake water so that less chlorine treatment is needed and the water system will no longer be in violation.

Shirley Packard asked whether the Board of Selectmen signed the grant proposal presented to them by Carol Goodman regarding the municipal building. Scott Borthwick

responded no and explained that the document provided no specific information or explanation of what the Board of Selectmen was signing for.

Scott Borthwick informed committee members that the Board of Selectmen has met a few times for negotiations regarding the police contract and that their compensation and salary proposal was received last night in writing for consideration.

Scott Borthwick informed committee members that the Board of Selectmen has requested business credentials to consider possible expansion of the wastewater treatment plant in order to increase the amount of ground water discharge and to allow for additional system hookups. Scott Borthwick estimated that there are 150 households with water and sewer hookup and another 45 households with water hookup only.

Eleanor Davis suggested that perhaps the Board of Selectmen should consider whether additional hookups and growth is beneficial to the town since the availability of hookups may only attract additional rental units and welfare recipients.

Public Comment

There were no public comments made at this time.

MOTION by Dave Barney and seconded by Denis Salvail to adjourn the meeting at 9:23 P.M.

VOTE: Unanimous

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
November 6, 2008
APPROVED COPY
Canaan Fire Station**

Members present: David McAlister - Chair, Denis Salvail, Dave Barney, Nathan Deleault, Eleanor Davis, Shirley Packard, Russell Lester, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Selectmen Robert Reagan and Tim Lewis, Phil Carter, David Heath, Larry Brabant, Chief Bill Bellion, George Lazarus, Bob Scott, Al Posnanski, Chief Sam Frank, Amy Thurber, Cindy Neily, Beth Wolfe, and the minute taker; Christi Berube.

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

Committee members received revised pages dated November 4, 2008, [pages 5, 6, 11, and 12] of the 2009 budget worksheet dated October 15, 2008, which included the Board of Selectmen's recommended 2009 budget.

Legal Budget

David McAlister summarized that there were concerns and questions expressed at the last meeting regarding how the \$30,000 fee is determined for the Grafton County prosecutor. Chief Frank responded that the prosecutor's total budget is approximately \$118,000, which is divided between the towns of Enfield [30%], Grafton [2%], Hanover [31%], Lyme [6%], Orford [6%], and Canaan [25%] according to the percentage of hours that he spends prosecuting cases for each town.

Shirley Packard asked where the cases are prosecuted. Chief Frank responded that there is a shortage of judges so the prosecutor needs to travel around to the various courthouses of Plymouth, Claremont, Concord, Lebanon, and Littleton.

Eleanor Davis asked which cases the County Attorney handles. Chief Frank responded that the County Attorney handles the cases regarding felony charges. Eleanor Davis commented that the Town of Canaan is simply paying the County Prosecutor instead of paying Sam Frank to prosecute cases. Chief Frank noted that the conviction rate of Canaan's cases is 98%. Chief Frank explained that the County Prosecutor handles all the paperwork and arraignments and can represent the employees of the Canaan Police Department since Chris O'Conner is listed as an officer of the Canaan Police Department although he is not receiving any payment from the department budget. Chief Frank added that he or the Canaan police officers are only needed for testimony when trials are scheduled. Chief Frank explained that the County Prosecutor has all the training required and is on-call at all hours to assist the Canaan Police Department.

Shirley Packard asked who collects the fees. Chief Frank responded that most of the fees go to the State of NH since most violations are against state law. Chief Frank explained

that if the Town of Canaan enacted more town ordinances, then the town could collect on some of these fees.

Eleanor Davis asked how long Chris O'Conner worked for the Canaan Police Department before becoming the County Prosecutor. Chief Frank responded seven or eight years.

MOTION by Dave Barney and seconded by Nathan Deleault to approve a 2009 budget figure of \$30,000 for the Grafton County prosecutor line item within the legal budget and to approve a 2009 budget figure of \$50,000 for the legal budget, as recommended by the Board of Selectmen.

VOTE: Unanimous

Police Department Budget

MOTION by Eleanor Davis and seconded by Shirley Packard to table the approval of the Police Department budget until the results of the association's contract are known.

Scott Borthwick summarized that the Board of Selectmen is waiting for a response from the association at this time. Chief Frank added that the association has requested possible dates to schedule the next meeting.

David McAlister commented that he does not see any issue with tabling the approval since eight line items are impacted by the contract.

Chief Frank asked what the rationale was for the Board of Selectmen to reduce the training line of his proposed budget for 2009. Scott Borthwick responded that \$2,500 was reallocated from the training line item to the dues and subscriptions line item for the SWAT team. Scott Borthwick also explained that the 2008 budget was used as a guideline in order to determine their recommendation for the 2009 budget.

Chief Frank noted that the Board of Selectmen's recommended chief salary for 2009 represents an hourly rate decrease from what he is currently earning for a 40 hours per week schedule. Chief Frank added that his position often requires more than 40 hours each week. Chief Frank explained that he has compared his current chief salary to other towns of similar size and that his salary is low compared to other towns. Chief Frank added that he is one of the lowest paid in the Canaan Police Department yet he has greater responsibility and spends more time on the job.

Dave Barney commented that the Budget Committee has a recent precedent of letting the Board of Selectmen set the salaries and benefits.

Scott Borthwick explained that the Board of Selectmen decided not to give anyone salary increases next year in hopes that the voters will approve the operating budget.

Chief Frank clarified that the chief position is a salaried position but that he has the same training as the chief in the Town of Enfield and that the Town of Enfield is paying their chief \$79,000.

Nathan Deleault asked why the Budget Committee should table the approval of the proposed budget if the terms of the contract are binding once negotiated. Eleanor Davis responded that the final budget figure will be impacted if no agreement is reached during the negotiations.

Chief Frank noted that the chief position is elected by the voters every three years and that he has proposed a modest salary increase compared to what chiefs are earning in similarly sized towns. Chief Frank added that he, and his family, will need to evaluate whether he is interested in running for the chief position again.

Russell Lester commented that the town's infrastructure is suffering due to the statewide property tax and the school budget and that the voters need to take a good look at the proposed school budget at the Deliberative Session.

Shirley Packard asked whether a warrant article will be proposed for the secretary position. Chief Frank responded no and explained that he is not asking for anything extra since a warrant article for an extra police officer was not approved previously.

VOTE: 8 YES 1 NO [C. Lawler]

Chief Frank asked whether funds to replace the 2005 Crown Victoria police cruiser are included in the proposed 2009 budget. Dave Barney responded that the CIP includes funds for a police cruiser but that no further decision has been made whether the police cruiser should be included in the operating budget or on the warrant.

Craig Lawler asked whether a lease purchase option is being considered. Chief Frank responded that he would not be opposed to the idea.

Russell Lester asked how the maintenance is handled with a lease purchase. Chief Frank responded that the maintenance schedule would be the same whether a lease purchase is used or not.

Larry Brabant clarified that the lease purchase option would be a municipal lease purchase option, which includes an "opt out" option.

Eleanor Davis explained that lease payments become part of the default budget and that lease proposals legally need to be presented as a warrant article.

Chief Frank clarified that the life span for a police cruiser is generally four years before the maintenance becomes costly.

There was general clarification that the warrant and consideration of the police cruiser will be reviewed at the November 20th meeting.

Fire Department Budget

Chief Bellion distributed a handout of his 2008 Work Log for the Fire Chief.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$94,122 for the Fire Department budget, as recommended by the Board of Selectmen.

Chief Bellion summarized that a purchase of fifteen lengths of five inch hose will be required from the 2008 budget in order to meet code compliance. Chief Bellion also expressed concern that the remaining balance for the part-time salaries line item is low and could be easily used up by any two major fires or storms within the next months.

Chief Bellion explained that the chief position is on-call 24/7 and that the position requires maintained certification in order for the Town of Canaan to be eligible for grant funding. Chief Bellion added that the chief position manages the greatest number of individuals.

Russell Lester suggested that the hoses could possibly be purchased through the capital reserve fund.

Chief Bellion noted that the \$2,000 bill from the HazMat has not been received or paid from the dues and subscription line item for 2008.

Craig Lawler asked whether a new fire truck is being considered. Chief Bellion responded that one of the town's existing trucks requires \$11,000 in repairs before it can be used again. Chief Bellion explained that he has not authorized the repairs since he would like the opportunity to propose a purchase of a 2007 pumper truck, which is a retired demonstration model that is being offered at a reduced price of \$282,000. Chief Bellion added that this could be a lease purchase with no money down. Chief Bellion suggested that an emergency meeting should be considered since the opportunity to purchase this truck will not last long and since the town is currently relying on mutual aid from other towns. Chief Bellion explained that he has contacted multiple truck dealers and that the 2009 models have increased three to five percent in price and that the prices will continue to increase once the new truck standards become effective on January 1, 2009.

Eleanor Davis suggested that the Department of Revenue Administration be contacted to ask how capital reserve funds can be accessed. Michael Capone responded that use of capital reserve funds has stipulations and that the lease purchase could not include an exit clause. It was noted that a majority vote of three fifths would be required to use capital reserve funds.

VOTE: **7 YES** **2 NO** [D. Barney and D. Salvail]

Emergency Management Budget

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$56,055 for the emergency management budget, as recommended by the Board of Selectmen.

Chief Bellion noted that the second bill to the dispatch service has not been mailed yet.

VOTE: Unanimous

Mechanic Budget

Larry Brabant commented that the recommendation from the Board of Selectmen is acceptable to him.

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$129,509 for the mechanic budget, as recommended by the Board of Selectmen.

Craig Lawler asked what the line item for petroleum products refers to. There was general discussion that the oil products used for vehicle maintenance does not fluctuate in price like the fuel prices do at the gas pumps.

VOTE: Unanimous

Highway Budget

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$50,175 for the first three line items of the highway budget, as recommended by the Board of Selectmen.

Bob Scott asked why no salary increases have been factored into the highway budget. Scott Borthwick responded that the Board of Selectmen decided to not give salary increases next year to anyone in hopes that the voters will approve the operating budget. It was also noted that the town's costs has increased for insurance and retirement.

Russell Lester commented that the Town of Canaan should not expect a larger contribution from the town employees if no salary increases are being considered.

VOTE: Unanimous

MOTION by Russell Lester and seconded by Dave Barney to approve a 2009 budget figure of \$506,077 for the second grouping of line items regarding the highway budget, as recommended by the Board of Selectmen.

VOTE: Unanimous

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$393,105 for the last grouping of line items regarding the highway budget, as recommended by the Board of Selectmen.

There was no vote taken for this motion at this time.

MOTION by Eleanor Davis and seconded by Dave Barney to amend the paving line item to \$150,000 and to approve a 2009 budget figure of \$543,105 for the last grouping of line items regarding the highway budget.

VOTE: 2 YES [D. Barney and E. Davis] **7 NO**
MOTION FAILED

MOTION by Russell Lester and seconded by Dave Barney to amend the paving line item to \$100,000 and to approve a 2009 budget figure of \$493,105 for the last grouping of line items regarding the highway budget.

VOTE: 4 YES [D. Barney, E. Davis, S. Packard, and R. Lester] **5 NO**
MOTION FAILED

Eleanor Davis commented that a part of the state fees from vehicle registrations and the federal gas tax are raised for highway funds.

MOTION by Dave Barney and seconded by Russell Lester to amend the paving line item to \$75,000 and to approve a 2009 budget figure of \$468,105 for the last grouping of line items regarding the highway budget.

VOTE: 4 YES [D. Barney, E. Davis, S. Packard, and R. Lester] **5 NO**
MOTION FAILED

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$393,105 for the last grouping of line items regarding the highway budget, as recommended by the Board of Selectmen.

VOTE: 7 YES 2 NO [D. Barney and E. Davis]

Transfer Station Budget

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$225,378 for the transfer station budget, as recommended by the Board of Selectmen.

There was no vote taken for this motion at this time.

MOTION by Shirley Packard and seconded by Russell Lester to increase the supplies line item to \$2,500.

Shirley Packard commented that the transfer station can not generate revenues if the staff does not have the supplies needed to bale and process the recyclables.

Al Posnanski commented that the transfer station generates revenue from recyclables and from the fees for non-recyclable items.

There was general discussion and suggestion that a report should be included in the town report so that the public is made aware of these revenues received from the transfer station. It was also suggested that the information could be distributed in a handout at Town Meeting.

VOTE: 4 YES [N. Deleault, D. Barney, S. Packard, R. Lester] **5 NO**
MOTION FAILED

Craig Lawler commented that a list of the site improvements for the transfer station would be helpful.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$225,378 for the transfer station budget, as recommended by the Board of Selectmen.

VOTE: 7 YES 1 NO [S. Packard] **1 ABSTAIN** [E. Davis]

Library Budget

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$116,012 for the library budget, as recommended by the Board of Selectmen.

There was no vote taken for this motion.

Denis Salvail asked why the Board of Selectmen did not recommend a level funded library budget. It was explained that the 2008 default budget amount resulted from a voluntarily reduction of \$6,300 from the library due to the default budget.

Cindy Neily explained that the 2009 budget proposal from the library was \$115,874 and that she thought that the \$116,012 was the total once the town administration factored in the total retirement, salary, and insurance costs.

Cindy Neily expressed concern that the library may not receive a contribution from the Brundage Foundation next year due to the economy downfall.

MOTION by Craig Lawler and seconded by Denis Salvail to amend the annual contribution to the library to \$100,000 for 2009.

Nathan Deleault commented that he does not support reducing the library budget since the library is a valuable and needed resource for information and education during the economic times. It was also noted that the library staff have been successful at raising funds to improve a town building.

VOTE: 3 YES [S. Packard, D. Salvail, and C. Lawler] **6 NO**
MOTION FAILED

MOTION by David McAlister and seconded by Russell Lester to amend the annual contribution to the library budget to \$112,300 for 2009.

Cindy Neily suggested that the default budget figure of \$112,300 should be adjusted to include the increases in the insurance and retirement rates.

VOTE: 6 YES 3 NO [D. Barney, E. Davis, and S. Borthwick]

MOTION by David McAlister and seconded by Russell Lester to approve a 2009 budget figure of \$112,300 for the library budget.

VOTE: 5 YES 4 NO [D. Salvail, D. Barney, E. Davis, and S. Borthwick]

Cemeteries Budget

David McAlister reminded board members that the deliberation of the cemetery budget was tabled at the last meeting and that the following motion was presented at the last meeting.

MOTION by Nathan Deleault and seconded by Craig Lawler to approve a 2009 budget figure of \$35,391 for the cemetery budget.

There was no vote taken for this motion.

It was noted that the calculation for the retirement line item was corrected, that the supplies line item was reduced from \$5,000 to \$3,000, and that the equipment line item was reduced to \$1.

MOTION by David McAlister and seconded by Russell Lester to amend the 2009 budget figure to \$35,046 for the cemetery budget.

VOTE: Unanimous

MOTION by David McAlister and seconded by Russell Lester to approve the 2009 budget figure to \$35,046 for the cemetery budget, as recommended by the Board of Selectmen.

VOTE: Unanimous

Recreation Budget

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$6,735 for the recreation budget, as recommended by the Board of Selectmen.

Dave Barney asked why the director salary has been reduced. Robert Reagan explained that the \$1,000 stipend is more in line with what other towns offer their recreation directors.

VOTE: **8 YES** **1 NO** [D. Barney]

Debt Service Budget

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$128,000 for the Debt Service budget, as recommended by the Board of Selectmen.

VOTE: **Unanimous**

Improvements Other than Buildings Budget

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$1 for the Improvements Other than Buildings budget, as recommended by the Board of Selectmen.

Eleanor Davis questioned what this line item or budget is used for.

VOTE: **8 YES** **1 NO** [E. Davis]

Approval of Minutes

Committee members reviewed draft copies of the October 16, 2008, minutes.

MOTION by David McAlister and seconded by Dave Barney to accept the minutes dated October 2, 2008, as written.

There was no vote taken for this motion.

Denis Salvail suggested changing the word “administration” to “administrator” in two places on page two.

Eleanor Davis suggested revising the first sentence on page three to “Eleanor Davis noted that the bookkeeper opts to not receive retirement benefits by working less than thirty two hours per week.”

Denis Salvail suggested revising the last sentence on page eight to “There was general committee consensus to postpone the deliberation of the Advertising and Regional budget for clarification.”

Denis Salvail asked whether a town policy exists for computer and phone usage for personal use. Michael Capone responded that a general policy does exist and that review and possible revision has been placed on the “to do list”, as well as, a review of the personnel manual.

Denis Salvail asked whether the logging operation behind the Transfer Station has started. Scott Borthwick responded yes and noted that the Town of Canaan has received \$9,100 so far.

Eleanor Davis corrected the words “water and sewer plant” to “water treatment plant” on page ten.

MOTION by David McAlister and seconded by Craig Lawler to accept the minutes dated October 2, 2008, as corrected.

VOTE: 8 YES 0 NO 1 ABSTAIN [R. Lester]

Chairman’s Report

David McAlister commented that the budget review process is in good order at this time.

Eleanor Davis commented that there are several budgets that have not been reviewed yet and are not listed on future agendas. David McAlister asked committee members to contact him if they see any omissions from the agendas.

Dave Barney suggested that the Board of Selectmen should notify the Advertising and Regional organizations if town funds are not being allocating to them for next year.

Selectmen’s Report

Scott Borthwick informed committee members that the tax bills have been mailed.

Scott Borthwick summarized that residential sump pumps are known to contribute to the issues regarding capacity and sewer hookups and that the sub pump at the Town Hall has recently been altered to no longer drain into the sewer line.

Scott Borthwick noted that office mats were purchased for the town offices in order to terminate the rug cleaning contract with UniFirst. Scott Borthwick explained that this will be a cost savings since there is already a hired cleaner who cleans the rugs in the town office.

Scott Borthwick summarized that the Board of Selectmen met with the ambulance staff again to review plans and a blueprint of a new emergency services facility building

proposal. Scott Borthwick explained that the Board of Selectmen only permitted a study of what grant funding may be available for such a project.

Scott Borthwick summarized that the Town of Canaan is currently advertising property for sale at 704 Canaan Street and will be using a sealed bid process.

Public Comment

Al Posnanski invited committee members to support the upcoming 4H Chicken Supper.

Dave Barney also informed committee members of the Veteran's Day ceremonies and luncheon next Sunday, Monday, and Tuesday.

Seeing no further business or questions, David McAlister adjourned the meeting at 10:30 P.M.

What was vote
for PRA?

E/ive Davis
rec'd
1/8/09

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

Members present; David McAlister - Chair, Denis Salvail, Dave Barney, Nathan Deleault, Eleanor Davis, Russell Lester, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Selectman Robert Reagan, Chief Bill Bellion, Al Posnanski, Chief Sam Frank, Matt Wilson, and the minute taker; Christi Berube.

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

Robert Reagan noted that the town's revenues from the gas tax and the rooms and meals tax are significantly reduced so the Board of Selectmen has opted to reduce the proposed 2009 operating budget by approximately \$62,000 in order to keep next year's tax rate stable with this year's. Robert Reagan noted that there was some discussion at the last Budget Committee meeting regarding requests for funds through warrant articles. Robert Reagan commented that these warrant articles are similar to unfunded mandates, in his opinion. Robert Reagan explained that approved warrant articles place a stress on the town to provide funds, which then creates a situation in June for the town to borrow funds in order to cover regular operating costs.

Water and Sewer Budget

It was noted that the Board of Selectmen have not provided their recommended figures for the water and sewer budget yet.

MOTION by Dave Barney and seconded by Russell Lester to table the approval of the water and sewer budget until the Board of Selectmen have provided their recommended figures.

VOTE: Unanimous

Advertising and Regional Budget

Dave Barney made a motion to approve a 2009 budget figure of \$58,575.80 for the Advertising and Regional budget. There was no second to this motion.

Dave Barney summarized that the total dollar amount of the requests divided by the total number of Canaan residents is approximately \$16 per person. Dave Barney commented that these services are important for the low income, sick, and elderly that is served by these organizations. Dave Barney expressed that he is concerned that many of the committee members may not have taken the time to read through the supporting documents for these requests.

0045RRC
Vote
MOTION by Denis Salvail and seconded by Craig Lawler to approve a 2009 budget figure of \$2,500 for the Advertising and Regional budget, as recommended by the Board of Selectmen.

94 IN
112 Sec. 6

Eleanor Davis commented that residents can choose the specific organizations that they wish to support and send their own individual contributions. Eleanor Davis explained that the Town of Canaan provides support through tax exemption, buildings, and parking lots. Eleanor Davis added that the organizations have their own fundraising efforts and that many are supported through the county taxes.

Nathan Deleault responded that it should not be a function of town government to support these organizations.

Scott Borthwick responded that he did read through the requests and looked at how many residents were benefited by each organization. Scott Borthwick explained that the Senior Center served the largest number of Canaan residents at only ten percent of the entire Canaan population.

Robert Reagan commented that Advance Transit services an average of twenty-seven residents per day this year and twenty-two residents last year. There was general discussion that Dartmouth College and Dartmouth Hitchcock have requested that Advance Transit not charge rider fees and that they compensate their employees for not using their own vehicles.

David McAlister suggested that the actual riders could contribute toward the cost of the service and that a one dollar contribution each way would still be cheaper option than driving their own vehicle to Lebanon or Hanover.

Building Inspector Budget

MOTION by Eleanor Davis and seconded by Russell Lester to approve a 2009 budget figure of \$12,788 for the building inspector budget, as recommended by the Board of Selectmen.

There was no vote taken on this motion.

Eleanor Davis asked whether funds allocated to many of these line items will actually be used since Bill Wilson has never expended these line items in the past. Michael Capone responded that he met with Bill Wilson to review the budget and that he thought that Bill Wilson had requested an allocation to all of the line items.

There was general explanation of the services that the building inspector provides to the town. It was suggested that updated reference materials must be needed in order for him to fulfill the position responsibilities, plus there are meeting requirements. Board members requested additional information and justification regarding allocations to line items within the building inspector budget.

MOTION by Eleanor Davis and seconded by Russell Lester to table the approval of the building inspector budget at this time.

VOTE: 7 YES 1 NO [Scott Borthwick]

Bridge Inspection Budget

MOTION by David McAlister and seconded by Russell Lester to approve a 2009 budget figure of \$1 for the bridge budget, as recommended by the Board of Selectmen.

Michael Capone explained that this line item is needed for accounting purposes when expenses are incurred for bridge repair or replacement and then funds need to be transferred from a capital reserve fund.

VOTE: Unanimous

Street Lighting Budget

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$17,700 for the street lighting budget, as recommended by the Board of Selectmen.

There was general explanation that there is an inventory of the individual light poles and that the electricity bill is broken out for each light pole. Al Posnanski asked whether the lights at the transfer station are included in the inventory. The response was yes.

There was general question whether the town received revenues from the Pepsi machine. The general response was no and it was explained that Williams Field received a complimentary scoreboard from Pepsi. There was general question whether a contract currently exists with Pepsi.

VOTE: Unanimous

Police Department Budget

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$498,399 for the Police Department budget, as recommended by the Board of Selectmen.

There was no vote taken for this motion at this time.

MOTION by Nathan Deleault and seconded by Russell Lester to remove \$2,500 from the dues and subscriptions line item.

There was no vote taken on this motion.

Dave Barney commented that the town receives valuable services for the \$2,500 contributed to the SWAT team.

Nathan Deleault commented that it is not in the town's best interest to support the SWAT team with the current uncertainties. Denis Salvail agreed.

Chief Frank explained that the suggested budget cut is a bad move since the Town of Canaan does not have a proper level of coverage or protection when an emergency occurs. Chief Frank summarized that twelve state troopers can not be relied on to protect the entire state at one time. Chief Frank added that the \$2,500 for the SWAT team provides a lot of training for Canaan police officers.

Chief Frank explained that cutting \$2,500 from the dues and subscriptions line item would not even provide enough funds to cover this year's expenditures. Michael Capone verified that \$539.94 has been expended this year as of November 19th.

MOTION by Nathan Deleault and seconded by Scott Borthwick to amend the previous motion and to remove \$2,400 from the dues and subscriptions line item.

VOTE: 4 YES [S. Borthwick, N. Deleault, D. Salvail, E. Davis]

 4 NO [D. Barney, D. McAlister, R. Lester, C. Lawler]

MOTION FAILS

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$498,399 for the Police Department budget, as recommended by the Board of Selectmen.

There was no vote taken on this motion at this time.

Chief Frank summarized that he understands that next year will be another tight budget year but that he is requesting a modest salary increase since he is currently earning \$4,265 less than the sergeant position at this time. Chief Frank added that if the union contract is approved as written, then he will be earning only \$133 more than the sergeant position when only base salaries are considered. It was explained that the sergeant positions tend to have a lot of overtime and, therefore, end up earning more than the chief position. Chief Frank summarized that his responsibilities and liability concerns as chief need to be taken into consideration.

MOTION by Craig Lawler and seconded by Russell Lester to amend the salary for the police chief salary line item to \$58,942.

David McAlister commented that he agrees with the points that Chief Frank has presented but that every other town employee has been told that there will be no salary increases provided for next year. David McAlister added that the Board of Selectmen has the ability to adjust salaries once the proposed budget is approved by the taxpayers.

Chief Frank commented that this is the year that he needs to decide whether he is running again for the three year Chief position and that he would like the salary compensation considered at this time.

Craig Lawler commented that Chief Frank is well educated and has done a great job for the Town of Canaan. Craig Lawler added that Chief Frank has always been available and at the scene when needed.

Dave Barney commented that it is the Board of Selectmen's responsibility to set the employee salaries. Dave Barney added that Chief Frank has an opportunity at the Public Hearing, at the Deliberative Session, and on the warrant to request an increase in the police chief's salary.

Eleanor Davis commented that she is not going to consider approval of the police department budget until the negotiation regarding the full time salaries is settled.

David McAlister explained that the full time salaries will be voted on by the taxpayers through a warrant article.

VOTE: 1 YES [C. Lawler] 6 NO 1 ABSTAIN [N. Deleault]
MOTION FAILED

MOTION by Russell Lester and seconded by David McAlister to amend the salary for the police chief salary line item to \$56,442.

Russell Lester explained that the difference in the police chief salary between the department's budget and the selectmen's budget is \$6,168. Russell Lester then subtracted the \$2,500 SWAT team contribution from the \$6,168 and added this \$3,668 difference to the selectmen's recommended salary in order to suggest a compromise for the chief's salary.

Chief Bellion commented that the police chief position requires a reasonable compensation since the responsibilities require being on-call 24/7. Chief Bellion added that it would be desirable for him as Fire Chief to keep Chief Frank in his position since a lot of cooperation is needed during emergency situations and that they work well with one another. Chief Bellion added that the Budget Committee has considerable influence in the town and that it should be appropriate and okay for employees to express their concerns regarding salaries to the Budget Committee since they are the only other venue to go to besides the Board of Selectmen.

Eleanor Davis commented that part of the issue regarding the police chief and sergeant salaries is that increases were provided several years at the recommendation of Chief Frank in order to provide greater salary separations between the ranks.

VOTE: 2 YES [C. Lawler, R. Lester] 5 NO 1 ABSTAIN [N. Deleault]
MOTION FAILED

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$498,399 for the Police Department budget, as recommended by the Board of Selectmen.

There was no vote taken for this motion at this time.

Chief Frank summarized that his salary will be reduced next year if the Board of Selectmen's recommendation of \$52,774 for the police chief salary is approved. Michael Capone explained that all of the salaries recommended by the Board of Selectmen on the October 15, 2008, budget worksheet are not accurate since the 2008 salary adjustments that started April 1st are not factored into the October 15, 2008, spreadsheet. Michael Capone summarized that it was the board's decision to work from the same budget worksheet throughout the deliberation process but that budget adjustments have continued after the October 15th printing of this worksheet.

MOTION by Russell Lester and seconded by David McAlister to approve a 2009 budget figure of \$498,399 for the Police Department budget, plus any needed adjustment for the police chief salary, as explained by the Town Administrator.

VOTE: 5 YES 3 NO [E. Davis, D. Salvail, and N. Deleault]

Capital Items

There was general note that the Board of Selectmen have not discussed or considered the capital items budget at this time.

MOTION by Dave Barney and seconded by Craig Lawler to include \$30,000 in the capital items budget for a police cruiser.

There was no vote taken on this motion.

MOTION by David McAlister and seconded by Dave Barney to table the approval of the capital items budget until after the Board of Selectmen has reviewed it.

There was general discussion that the fire truck capital reserve fund currently has \$217,500 and that a significant shortfall exists for a purchase even if \$30,000 is approved next March for the capital reserve fund. Chief Bellion summarized that \$282,000 is needed for the demo truck and that \$320,000 would be needed for a new fire truck after January 1st when the updated standards for new fire trucks become effective.

Chief Bellion clarified that a new fire truck would not be available for pickup until next fall if a new one was ordered for purchase this upcoming spring.

Chief Bellion noted that it is not legal for the Town of Canaan to lease purchase with capital reserve funds.

Chief Bellion explained that limited contracted repairs are being considered on the existing fire truck at this time and that additional repairs could be completed by the town's mechanic for this year's winter use. Chief Bellion clarified that the existing fire truck can not be placed into service if it fails the pump test.

There was general note and explanation that scheduling a special meeting would require a petition and authorization from the Superior Court and that the Town of Canaan can not be authorized to raise taxes at special meetings.

VOTE: Unanimous

There was general clarification that the funds from the recent timber cut can not be used for a fire truck purchase since the funds need to be accounted for within the general fund.

Contracted Ambulance Budget

MOTION by David McAlister and seconded by Dave Barney to approve a 2009 budget figure of \$55,000 for the contracted ambulance budget, as recommended by the Board of Selectmen.

Scott Borthwick noted that the Board of Selectmen is waiting for a copy of the contract to finalize. Michael Capone added that the only concern with the contract was that there was no non-funding clause, which would be standard practice to include.

Denis Salvail asked whether there was any discussion about level funding the 2009 budget. It was explained that the 2009 budget is level funded from the proposed budget last year but that the ambulance service contributed \$5,000 when the default budget was implemented.

VOTE: 6 YES 2 NO [D. Salvail, E. Davis]

Health Budget

MOTION by Scott Borthwick and seconded by Russell Lester to approve a 2009 budget figure of \$1,040 for the health budget, as recommended by the Board of Selectmen.

It was noted that Bill Wilson is the Health Inspector.

VOTE: Unanimous

Cultural other Recreation Budget

MOTION by David McAlister and seconded by Dave Barney to approve a 2009 budget figure of \$1,000 for the cultural budget.

There was no vote taken on this motion.

It was noted that these funds are used for cleanup, electricity, and overtime pay for the police officers, for example, during Old Home Days.

MOTION by Craig Lawler and seconded by Denis Salvail to amend the 2009 budget figure for the cultural budget to \$500.

VOTE: 2 YES [D. Salvail, E. Davis] 6 NO
MOTION FAILED

MOTION by David McAlister and seconded by Russell Lester to approve a 2009 budget figure of \$1,000 for the cultural budget.

VOTE: 5 YES 3 NO [D. Salvail, C. Lawler, E. Davis]

Patriotic Budget

It was noted that the funds for the patriotic budget are appropriated for the Memorial Day wreaths but that the American Legion usually covers the expense.

MOTION by Dave Barney and seconded by Craig Lawler to amend the 2009 Board of Selectmen's budget figure for the patriotic budget to \$1.

VOTE: Unanimous

MOTION by Dave Barney and seconded by Denis Salvail to approve a 2009 budget figure of \$1 for the patriotic budget.

VOTE: Unanimous

Conservation Fund Budget

MOTION by Dave Barney and seconded by Russell Lester to approve a 2009 budget figure of \$700 for the Conservation Fund budget.

There was general question as to how these funds are utilized. Michael Capone offered to find out where past funds were spent. It was noted that the Conservation Committee receives up to \$5,000 from the current use penalty money.

VOTE: 3 YES [D. Barney, R. Lester, D. McAlister] 5 NO
MOTION FAILED

MOTION by Eleanor Davis and seconded by Russell Lester to approve a 2009 budget figure of \$1 for the Conservation Fund budget.

VOTE: 7 YES 1 NO [D. Barney]

Revenues

Committee members reviewed a draft copy of the FY2009 Revenues handout. Michael Capone explained that the "Estimated Revenues Prior Year" column represents 2008, the "Actual Revenues Prior Year" column represents revenues received to date, and that "Estimated Revenues Ensuing Year" column represents 2009.

There was general discussion and Michael Capone offered to check on the anticipated "payment in lieu of taxes" from the Town of Enfield.

Michael Capone explained that the "interest & penalties on delinquent taxes" revenue source includes redemptions before liens.

Dave Barney noted that the allocation in the proposed operating budget should be reduced for the highway block grant if only \$100,000 is expected in revenue.

Default Budget

Committee members reviewed a draft copy of the default budget worksheet. Michael Capone explained that all contracted obligations need to be included in the default budget.

Eleanor Davis complimented the Town Administrator for providing a handout that explains the default budget. Michael Capone noted that Gloria Koch deserves a lot of credit.

Eleanor Davis asked whether all the contracted heating oil was used in 2008. Michael Capone offered to find out.

Michael Capone noted that the allocation for wages will be higher in 2009 since the calendar has 53 pay periods.

Michael Capone offered to provide a summary of the employment benefits at a future meeting.

Auditor's Report

Committee members reviewed the independent auditor's report dated December 31, 2007. David McAlister noted that committee members should review the report and that any questions can be addressed at the next meeting.

Approval of Minutes

Committee members reviewed draft copies of the November 6, 2008, minutes.

MOTION by David McAlister and seconded by Russell Lester to accept the minutes dated November 6, 2008, as written.

There was no vote taken for this motion.

The misspelling of Chris O'Conner's name and the word "trials" was corrected on page one.

Dave Barney requested that the following sentence be omitted from page three: "Dave Barney noted that the capital reserve fund had been used to purchase police cruisers in the past."

Nathan Deleault corrected on page eight "that he does not support reducing the library budget..."

The misspelling of "sump pumps" was corrected on page ten.

Dave Barney reworded a sentence on page eleven as follows: "Dave Barney also informed committee members of the Veteran's Day ceremonies and luncheon next Sunday, Monday, and Tuesday."

MOTION by David McAlister and seconded by Craig Lawler to accept the minutes dated November 6, 2008, as corrected.

VOTE: Unanimous

Chairman's Report

David McAlister asked committee members to let the administration know if any committee members are interested in receiving an updated copy of the law book.

David McAlister also distributed copies of last year's Deliberative Session assignments for the warrant article presentation.

David McAlister informed committee members that Bill MacDonald has offered to join the Budget Committee, if needed.

Selectmen's Report

Scott Borthwick noted that the Town of Canaan has received \$19,148 from the timber cut so far.

Scott Borthwick also noted that the Board of Selectmen has accepted a local bid of \$38,775 for the property at 702 Canaan Street.

Scott Borthwick summarized that the school tax rate has increased \$0.94 and the town's average daily membership has increased from 36.6% to 38.8%, which has increased the town's monthly payment from \$329,000 to \$450,000 starting in December. Scott Borthwick added that approximately \$488,000 is also owed to Grafton County as a one time payment.

There was general discussion and consensus to schedule the Public Hearing on January 8th and the next Budget Committee on December 11th at 7 P.M. It was noted that the last

date to accept petitioned warrant articles should be confirmed before setting the Public Hearing date.

Michael Capone summarized that Phil Carter has told him that the needed rock wall repair at the cemetery has been postponed until next year. It was suggested that the funds be encumbered for the project.

Public Comment

There were no public comments at this time.

Seeing no further business or questions, David McAlister adjourned the meeting at 10:25 P.M.