

What was vote
for P.P.A.?

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.

UVVSRPC
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.

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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.