

Canaan Budget Committee Meeting
Thursday, December 15, 2016
Canaan Fire Station, Canaan, NH

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

Final Minutes

1. Call to Order

Committee Chair Ellie Davis called the meeting of the Canaan Budget Committee to order at 7:00 PM and took attendance.

2. Committee Discussion

A. CIP

Canaan's Capital Improvement Program for the years 2017-2022 was discussed. It contains capital items submitted by town departments, with modifications by the CIP Committee. The advisory report identifies anticipated capital needs, and doesn't ensure that funds will be expended in this manner, since needs and priorities will change as time progresses. The town office is reaching capacity and has some legal and safety deficiencies. Exact plans are not known, but solutions (\$300k) may include additional square footage, electronic records, and/or renovation of the third floor above the library. A fire truck will need to be replaced in a few years, due to its age at about \$300,000. As the town has grown, the highway trucks and equipment have outgrown the existing highway garage. An addition to the structure \$180,000 is needed to keep loaded salt/sand trucks warm in the winter, while still providing room to service other vehicles. Gristmill Hill Road bridge will need to be replaced in 2022 (\$140k) and 2023 (\$600k).

Some of the Capital Reserve activity requires a Warrant Article approval. There are many smaller items in the CIP, but CIP items should be at least \$5,000 and have a 3-year life cycle. The highway garage project is the number one priority and the town office project is second. The mobile equipment is regularly replaced. Town administrator Samson prefers that the Capital Reserve grows incrementally rather than with large increases and that the town thinks ahead while it slowly builds savings. Currently the town does not have big debt. The Budget Committee Chair said she liked the report format.

B. Budget Review

Canaan Town Administer Mike Samson reviewed the budget. He raised issues such as select board salary increases. There is a discussion between the town and the state regarding how Capital Reserve accounts are handled and money is being put into the operating budget but will be on a separate warrant article to be approved by the voters.

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Samson explained the line items in the budget that are placeholders for transfers to the Capital Reserve at the end of the year. He also discussed how grants are handled in the budget.

The committee discussed the decrease in electricity in some accounts. The warrant articles that transfer funds into the Capital Reserve will include the language such as “no additional money would raise by taxes for this transaction.”

The budget expenses are \$166,000 higher than last year’s budget. There is \$116,000 from other tax revenue, which will result in no tax increase for what is a lower budget in 2017.

The budget and warrant articles will total about \$3,714,000, which is about \$14,000 less than last year. There may be some tax increase associated with exemptions but many of the Capital Reserve items will be covered with the unassigned fund balance at the end of the year. The fund balance is projected to be \$200,000-250,000.

C. Water and Sewer

Canaan Town Administer Mike Samson spoke about the sewer and water, which are up \$5,000 and \$9,000 respectively. The account total will be \$183,000 up about \$15,000 and there will likely be a 10% increase in water/sewer charges to cover Capital Reserve needs for that department.

D. Revenue

Canaan Town Administer Mike Samson distributed a document and spoke about revenue for 2017. The revenue amount \$2,240,000, which is the same as last year is projected in 2017 and that incorporates conservative estimates in some areas. Samson commented about various revenue accounts such as taxes from sales of properties and refunds on insurance premiums.

The extra amount of revenue estimated at \$162,000 will be used for Capital Reserves. Samson will have the MS737 corrected and have it signed at the next Budget Committee meeting.

E. Budget Approval

A motion was made by Phillip Smith and seconded by Martha Pusey to approve the Canaan Budget for 2017 as presented in the amount of \$3,569,830. The motion passed 7-1-0 (Davis opposed).

3. Next Meetings

Chair Davis reviewed the upcoming Budget Committee meeting on January 11 when the committee can approve the revenue budget and the warrant articles. Assignments will be sent to the Committee members for the January 12 public hearing.

4. Meeting Minutes Approval

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Sadie Wells made a motion which was seconded by John Bergeron to approve the October 20, 2016 Canaan Budget Committee meeting minutes as submitted and amended. The motion passed with one abstention 6-0-2 (Pusey, Smith abstained). The changes included adding to the attendee roster Dave McAlister and Susan Remacle .

5. Adjournment

Sadie Wells made a motion which was seconded by Al Posmanski to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 8:39 PM.