

Canaan Budget Committee Meeting  
Thursday, October 15, 2020  
Fire Station, Canaan, NH

Attendees: Budget Committee members: John Bergeron, Ellie Davis, Nathan Deleault, Stephen Freese, Cindy Neily, Al Posnanski (Select Board liaison), Mike Riese, Denis Salvail via Zoom, Sadie Wells, Karen Wolk; Town Administrator Mike Samson, recorded by Roger Lohr.

Draft Minutes

1. Call to Order

Committee Chair Sadie Wells called the Canaan Budget Committee meeting to order at 7:00 PM.

2. Minutes Approval

**Al Posnanski made a motion which was seconded by Stephen Freese to approve the September 10, 2020 Canaan Budget Committee meeting minutes as submitted. Approved by all voting committee members.**

3. Proposed Canaan 2021 Budget Update

Town Administrator Mike Samson distributed three documents and gave an update on expenditures, revenue, and water/sewer in the proposed 2021 Canaan budget.

The proposed budget has been reviewed by the Select Board. There is an increase of expenditures in the amount of about \$379,000 and savings of about \$146,000, and oversetting revenue of \$145,000.

The payroll changes were cited again with Committee members and data processing hardware will see an increase. Some item increases will require a Warrant Article. Health insurance is up about 4% and there are some staff changes that represent about \$16,000 of the insurance increase this year. About one third of the staff is on the new health insurance family allocation. A couple of candidates who interviewed for open Canaan positions commented that the insurance is not good enough. The increases on property and liability insurance are uncertain at this time and two other bids for insurance will be sought on health insurance. The town of Grafton may be withdrawing from its participation in the emergency ambulance service and they would pay \$1,300 for specific calls for those in need of the service from that town. The mechanic position is still not filled.

Two positions in the highway and transfer station are split among the two departments and road salt is substantially more expensive. There will be an equipment trailer purchase for the transfer station that will be covered by fees and the Capital Reserve. Recreation staff has been reduced because programs have been cancelled due to COVID.

Three leaks have occurred recently in the water/sewer system and there is a main pipeline in the village that needs to be replaced now rather than waiting for its out right failure. Grants can cover about 65% of the cost of this pipe replacement project. The emergency medical service was discussed where a second full time staff position would be helpful. The budget cost will be \$345,000 for the service, which after associated revenue should annually net at about \$140-150,000.

No surplus in revenue or unspent budget is expected so taxpayers will be the primary source to cover the town expenditures this year. The transitions associated with eight upcoming retirements were recognized as these changes in staff will have to reflect substantially higher salaries that are

competitive. Samson also commented about the water/sewer system in the village which has too few users to cover the pipeline replacement project.

#### Proposed Revenue Budget

Last year Canaan had revenue from FEMA and the Fairport settlement that enabled revenue to reach more than \$4.3 million. The 2021 revenue will be substantially reduced because those one-time sources of funds will not be available to the town. Besides the property taxpayer revenue, the town's largest sources of funding are from motor vehicles, NH rooms/meals, and block grants.

The Canaan tax rate was \$7.44 last year and is estimated to be \$7.72 in 2021 but it could be lower. Some of the revenue areas are expected to be shifted this year in anticipation of unexpected revenues.

#### Water & Sewer

Samson explained the Canaan water rates situation where the approved rate increase in 2012 was never applied. He explained the mistake that was made and referenced some village residents' water bills that will be impacted by the new rates. The bills will be based on gallons used and the rates will be about 30% lower than the 2012 actual intended rates. There will be hearings to establish the new rates which would begin in the second quarter of 2021. There will be some adjustments on water leaks in some specific cases. Samson commented about the faucet on the town common.

#### 4. Adjournment

**Al Posnanski made a motion which was seconded by Karen Wolk to adjourn the meeting. Approved by all voting committee members.** The meeting was adjourned at 8:36 PM.