

**TOWN OF CANAAN BOARD OF FINANCE**  
Special Meeting  
Monday, March 30, 2009, 6:30 p.m.  
Town Hall, 108 Main Street, Falls Village, CT 06031

**PRESENT:** Chairman/Regular Member, Chuck Lemmen; Regular Members Of the Board: John Allyn, Louis Timolat, and Kent Allyn.

Also present: Patricia Mechare, First Selectman; Chuck Lewis, Selectman; Pete Lawson, Selectman; Linda Paviol, Town Treasurer; Donna Brooks, Town Attorney; Faye Lawson (on behalf of the Water Company); and Tim Downs (on behalf of the Town Highway Dept.)

**ABSENT:** Regular Member, George Elling; and Alternate Members, Jeff Jasmine and Tracy Atwood.

- Regular Meeting called to order at 6:30 p.m. by Chairman, Chuck Lemmen.
- Regular Meeting recessed at 6:31 p.m., pending attendance by more Members until a quorum is present.
- Regular Meeting called to order at 6:40 p.m.

**AGENDA**

**-Reconsideration of the Board of Finance recommendation of March 16, 2009 to Town Meeting regarding financing of the Town Water project.**

Timolat asked Brooks by what statutory authority is money disbursed from municipal funds when there is no budget set for a non-independent status (The Water Company)? Brooks advised that she would have to provide an answer at a later date. Timolat addressed the possibility of obtaining funds through: (1) grant money; and/or (2) special financing (USDA loan) as potential options, in which case, the wording for the motion must be written in such a way so as to not create any chance of forfeiture of either of the foregoing options, should one or both be pursued.

Brooks commented that the *Checklist of Proceedings And Bond Transcript Documents Special Appropriations And Bond Authorizations* received from Attorney Judith A. Blank (and faxed to Pat Mechare on March 18, 2009) indicated that it appears necessary to refer the proposed project to the Planning & Zoning Commission for approval and that action by the Commission should be before a Town Meeting is called. Pat advised that the Zoning Enforcement Officer has given approval and Brooks again declared that the Commission's approval may also be required.

Further discussion regarding resolution language for minutes and liability of debt for project; town and/or water customers.

Phone conference with Attorney Judith A. Blank @ 7:05 p.m. to discuss and clarify resolution (Motion) language for the Board minutes, which Blank had emailed to Brooks earlier in the day. Brooks advised that she did not receive the email and Blank was directed to forward the email to Pat Mechare. Mechare received, printed and distributed the contents of the email, with attachments, which included: *Checklist Of Proceedings And Bond Transcript Documents Special Appropriations And Bond Authorizations, Draft – Portion Of Board Of Finance Minutes, Draft – Portion of Board of Selectmen Minutes, Draft – Portion of Planning and Zoning Commission Minutes*, proposed *Notice Of Special Town Meeting Town of Canaan, Connecticut*, proposed *Minutes of Special Town Meeting Of The Town of Canaan, Connecticut*, and proposed *Resolution Appropriating \$350,000.00 For Water Tank Replacement And Authorizing The Issue of \$350,000.00 Bonds, Notes, Or Other Obligations To Finance The Appropriation.*

Brooks inquired as to the process and timeframe for bonding? Blank reminded of the requirement for the newspaper publication and indicated the turnaround time to be approximately 2 weeks. Blank inquired as to the amount of the bond and Mechare advised that she has pre-approval from a local Bank for short-term financing of \$350,000.00 for a six-month period. Blank advised that only one (1) Town meeting would be necessary to authorize both short-term and long-term notes, loan money and potential grant money. Mechare responded that it would depend on the condition of the existing tanks but that the plan was to proceed with the short-term financing and to explore other options for the end of the term, possibly a USDA loan. Mechare asked if Blank knew the term for such a loan, as Mechare understood that the life of the loan was equal to the life of the tank, estimated to be 30 years. Blank responded that the statutory limit should be checked, as it was her understanding that the statutory limit for financing a water-related project is generally 20 years.

**Action as follows: Timolat made a MOTION that the language for the Motion should read as drafted by Blank, contained in Blank's email of March 30, 2009, referenced above, as set forth in Draft – Portion Of Board of Finance Minutes, which was seconded by Kent Allyn, and unanimously approved, which reads as follows:**

**“RESOLVED, that the Board of Finance approve the replacement by the Town of Canaan of two water tanks and ancillary equipment at the Town of Canaan municipal water works system situated at Beebe Hill, Canaan:**

**FURTHER RESOLVED, that the Board of Finance recommends (1) that the Town of Canaan appropriate \$350,000.00 for such project, (2) that the Town issue bonds, notes, or other obligations, and temporary notes in an amount not to exceed \$350,000.00 to finance the appropriation, (3) that the amount of borrowing authorized be reduced by any grants received for the project, and (4) that the Board of Selectmen call a Special Town Meeting for the purpose of authorizing said appropriation and borrowing.”**

Mechare advised that she would be in contact with Fred Laser, Planning & Zoning Chairman, with regard to the requirements and approval of the project by the Commission.

Kent Allyn asked the Commission if it would be appropriate and necessary to rescind the Motion made at the Special Meeting of the Board of Finance held on March 16, 2009. Accordingly, **Timolat made a MOTION to rescind his Motion made at the Special Meeting of the Board of Finance held on March 16, 2009, which was seconded by Kent Allyn and unanimously approved.**

**-Presentation by the Board of Selectmen of their draft of the municipal spending plan for 2009-2010.** Pat Mechare gave a presentation of the draft of the municipal spending plan for 2009-2010. Pat commented that the increase in health insurance costs (1016 Wages, Benefits) represents one of the most significant line item increases. Mechare further advised that some reductions had been made to the Non-Recurring Capital Accounts, hopefully and intended as a one-time adjustment, in an effort to offset the overall budget as a result of the loss of approximately \$40,000.00 in State grant funds. Mechare did note, however, that a line item in Non-Recurring Accounts had been added for an Ambulance Reserve in the amount of \$3,000.00. Mechare also noted that the line item for Garden maintenance (maintenance of gardens by Town Hall and island) now appears under General Government.

**MOTION by Lemmen to add a line item to the Board Of Finance budget to provide for legal fees in the amount of \$500.00, added specifically for purposes of Board members wishing to seek legal advice, without the disbursement being allocated from the General Funds Legal Expenses line item; MOTION seconded by Timolat and unanimously approved.**

Mechare concluded with the presentation and indicated, as set forth in the draft budget, as amended by the adding of the above \$500.00 line item, that the budget reflected an overall reduction of \$13,289.00.

Discussion regarding the status of the condition of the Town equipment, vehicles, etc.  
Comment regarding budget hearing needed.

Comment regarding need for recommendation for education budget and municipal budget for next meeting.

Comment by Timolat that the Board is awaiting a response from Brooks with regard to the budgetary process for the spending for the water project.

**-Consideration of any changes the Board of Finance might wish to make to the draft of the municipal spending plan for 2009-2010.**

**Adjournment: On motion by Timolat, seconded by John Allyn and unanimously approved, the meeting adjourned at 8:12 p.m.**

Respectfully submitted, Alice Macchi, Recording Secretary.