

Town of Canaan Board of Finance

Public Budget Hearing

Wednesday, April 25, 2007

7 p.m.

Lee H. Kellogg School, Falls Village, CT 06031

- Present:** Chairman Charles Lemmen, Tom Christian, Denise Cohn, George Elling, and Fred Petersen.
- Absent:** Kent Allyn and Alternates Patrick Hafner, Stephen Koshland and Scott Macchi
- Also Present:** First Selectman Patricia Allyn Mechare, Selectmen Peter G. Lawson, Town Treasurer Linda Paviol, BOE Chairman Andrea Downs, LHK Principal Maria Bulson, BOE members Betsy Howie and Beckie Seney, BOE Bookkeeper Cyndy Webber, Registrar Mary Petersen, Mary Lu Sinclair, Faye Lawson, Transfer Station Manager Fred Palmer, DPW Manager Tim Downs, P&Z Board Member Dan Shaw, and MaryAnn Howie.

Chairman Lemmen called the Public Budget Hearing to order at 7:04 p.m. and made the following opening comments in regard to the 2007/2008 Spending Plans:

- He believes this is the first budget in recent times that has a total bottom-line that is less than the projected revenues, if the mill rate remains the same.
- The Municipal Plan shows an overall 7.3% increase. The higher than usual percentage increase is reflective of \$39,000 that the BOF added to the usual \$3,000 amount in 1028 - Non-Recurring Capital Accounts - Assessors Revaluation Reserve. This covers a shortfall in the Reserve needed for the current revaluation project, while adding to the Reserve to build it up sufficiently over 10 years to realistically meet the next Revaluation cost.
- He notes elected position salaries are set by the BOF and show 3.6% increases in most cases. While the Selectmen did not seek salary increases, the BOF wanted to make the full-time First Selectman position salary more inline with other area towns and recommended a 10% increase. Likewise, the hourly rates for the Registrars were increased by more than 3.6% to bring them closer to other area Registrars; that line also reflects an increase in the number of hours required to do the job.

BOE Chairman Andrea Downs highlighted information in the Canaan BOE 2007/2008 Budget (attached).

- The budget reflects negotiated contracts for the Certified Staff and Principal. Lines #3 - #13 (non-certified staff and the Nurse) have not yet been negotiated, but reflect an amount anticipated to cover expected increases (\$8,000).
- KONA has helped greatly in keeping health insurance increases to a minimum.
- \$20,000 in Federal REAP Grant funds is available again this year, keeping the staff development line down. Future years will show an increase.
- Professional Services amounts are down, as contract negotiations will not take place again for 4 years.
- Facility maintenance and energy costs are up somewhat: outside painting, installation of restroom speakers for "lock-down" alerts, and repair of library ceiling tiles are anticipated.
- The Summer School line remains the same, although there will be no enrichment classes offered this year.

- There were questions fielded about electricity costs, errors and omissions insurance, professional publications increases, computer replacements (some of this FY surplus will be used to replace computers), and dues and fees increases.
- The overall Lee H. Kellogg budget increase is 2.5%.

Lemmen called upon First Selectman Mechare to highlight the proposed 2006/2007 Municipal Spending Plan (attached). He noted that the BOF had moved all reserve accounts, some found throughout the budget in previous years, into 1028 - Non-Recurring Capital Accounts.

Some of the budget highlights noted by Mechare were:

- The Town has an excellent history of planning for the future with reserve accounts i.e. for fire trucks, road equipment and other capital improvements and projects.
- The BOS found budget requests from Town Boards and Commissions to be reasonable.
- The Town locked in at a \$2.05/gallon fuel oil price, as opposed to last year's \$2.27/gallon, thanks again to Region One Financial Manager, Sam Herrick.
- Electricity is figured on usage – great care has been taken to prevent unnecessary use.
- Town employees in most cases received a 3.6% increase.
- The new Zoning Enforcement Officer has been invaluable, very busy, and provides convenient office hours to residents. The ZEO received an increase of more than 3.6% to bring his salary more inline with that of other area towns.
- Praise to the P & Z Commission for creating a committee dedicated to ongoing review of the Regulations, making a costly major Regs. Re-write less likely down the road.
- 3-yr. contract with CIRMA provides major insurance savings. KONA for health insurance shows minimal increases, even with a non-contributory plan.
- Litchfield County Dispatch is based on population of 1,106.
- 107 Main Street will need a new tenant after April 30th. This has provided \$18,000 annual income to the Town previously.
- Fire Commission looking at replacing a fire truck - very expensive - so there is a substantial increase to the Reserve Fund.
- All petroleum-based products are more expensive, so fuel and oiling costs are up.
- The overall budget increase would be 4.3%, but with the extra needed for revaluation, the increase is 7.3%

Denise Cohn noted that, while the Recreation Commission Special Programs line shows \$3,125, she believes it is an error and should be \$7,500. The higher amount would reflect a \$4,375 amount for the Falls Village Children's Theatre, as in the past year. Mechare indicated that the budget request submitted by the Recreation Commission did not show the higher amount, but she will check with the Recreation Commission Chair.

Chairman Lemmen thanked both A. Downs and P. Mechare for their budget presentations and adjourned the hearing at 8:20 p.m.

Respectfully submitted,

Margo B. Lewis
Recording Secretary