

**Town of Canaan Board of Finance
Special Meeting
Monday, April 28, 2008, 6:30 P.M.
Town Hall, 108 Main Street, Falls Village, CT**

Present: Chairman Charles Lemmen, Kent Allyn, Denise Cohn, George Elling, E. Frederick Petersen, Alternates Tracy Atwood and Stephen Koshland.
Absent: Scott Macchi.
Also Present: First Selectman Patricia Allyn Mechare, Selectmen Peter G. Lawson and Charles H. Lewis, Faye Lawson, and later DPW Manager Tim Downs.

Chairman Charles Lemmen called the Special Meeting to order at 6:35 P.M for the purpose of recommending the BOE and Municipal Budgets to Town Meeting. Alternate T. Atwood was seated for absent Regular Member S. Macchi.

An April 26, 2008 letter from Faye Lawson to the Board of Finance (attached), regarding the Friday, April 25, 2008 Public Budget Hearing, was distributed by Chairman Lemmen and time was allowed for members to read it. Because the central issue of the letter was considered to be germane to the agenda, the consensus was to discuss it before making recommendations.

In responding to this letter, Chairman Lemmen noted that although he considered the letter inaccurate, he apologized for what would seem to be his mistake with opening remarks attempting to limit audience questioning directly to the BOE Budget and not to issues of Board of Education policy, beyond the purview of the Board of Finance. If residents perceived that their ability to ask pertinent questions had been denied as a result of his remarks, in taking responsibility for that, he was willing to resign as Chairman of the Board of Finance.

Discussion:

S. Koshland asked what the BOF is allowed to decide upon, in terms of the per pupil cost ... what is too much per pupil?

F. Petersen reiterated that the BOF can move to reduce or increase the overall BOE Budget by a certain figure, but not act upon line items within the budget.

D. Cohn and F. Petersen (not present at the Hearing) indicated they had both heard from some residents who were present Friday evening and felt they had been limited in being able to ask questions pertaining to school policy. Cohn noted that these residents apparently cannot attend the afternoon BOE budget workshops or the evening Board of Education meetings (both open to the public) in order to ask their questions about BOE policy and budget planning. Discussion ensued and several members commented that if there was, in fact, a *perception* among the community that people were not able to ask certain questions, we should then hold another Budget Hearing to avoid controversy.

K. Allyn – If we set another hearing, what is the earliest date we can hold it?

Mechare indicated that a 5-day warning period in the local newspaper would be required, so May 9th – 11th would be the soonest. The Town Meeting to consider recommended budgets then cannot be held until at least 2 weeks after the Hearing, perhaps May 22nd or 23rd.

It was felt unwise to have a repeated hearing for the BOE Budget alone, so the Municipal Spending Plan will stay on the hearing agenda notice.

K. Allyn made a motion to schedule and post a second Board of Finance Public Budget Hearing for Friday, May 9, 2008, 7 P.M. at 108 Main Street for presentations by the Board of Education and Board of Selectman of their budgets. T. Atwood seconded.

Discussion: G. Elling noted that it was not his impression that anyone in the audience Friday evening was not able to ask questions if they wished to regarding either budget, nor of any objections. T. Atwood noted that while the BOF makes a recommendation on the total budget amount only, if the BOF cannot change allocations amongst line items on the BOE Budget, is this (the Public Hearing) the appropriate venue for consideration of line item questions? Others noted that because the BOE is at the Hearing they can answer such questions, even though the BOF calls and chairs the Public Budget Hearing. F. Petersen added that only the Board of Education can answer questions about particular line items.

The question was called without objection; the vote was taken on the above motion and it passed unanimously.

At the Regular Board of Finance Meeting on Monday, May 12, 2008 recommendations for the BOS and Municipal Budgets to Town Meeting will be considered.

The BOF members clearly noted that they did not wish for Chairman Lemmen to resign. K. Allyn noted that Chairman Lemmen's remarks to the audience were OK concerning the parameters of the budget hearing process.

First Selectman Mechare noted other items for the BOF to consider at their next meeting when making recommendations to the May 14th Town Meeting: unexpended road maintenance funds, moving funds from deicing to a reserve acct., unexpended Recreation Comm. funds for the pool, appropriating spending CRRA money for pool expenses, and appropriation of spending from the pool account.

F. Petersen brought into question Municipal Budget Line 1009 - Assistant Treasurer and, citing the State Statute that repeals that title, notes that only the Treasurer can appoint a Deputy. Mechare stated that upon advice of Town Counsel we approved an ordinance last year empowering an Assistant Treasurer to sign checks in the Treasurer's absence. Mechare will research this further.

Chairman Lemmen distributed a single sheet *2008-2009 Preliminary Numbers* (attached) showing the increase of needed revenue over 2007-2008 and the amount of mills needed to raise the necessary tax revenues. He notes however that any "roll-overs" or expenditure of funds from this FY into the new FY under consideration will have to balance with tax revenues, which would then affect the mill rate.

D. Cohn asked for discussion about preparing for the anticipated increase in expenditures from higher enrollment projections at HVRHS (tuition assessments) over the next three years and from a new transportation contract needed for the 2009-2010 BOE Budget and beyond. She suggested that perhaps an amount should be added to the budget designated to the General Fund to build a bigger reserve for these future expenses. It was noted that we cannot tax for expenses we don't have and we cannot put money in the General Fund for future years' expenses. F. Petersen stated that we cannot raise taxes more than needed, except by ordinance for a set-aside. Lemmen suggested that the mills could be raised by one (1) each year to cover the increased costs. Mechare noted that our General Fund is very healthy and surpluses above the recommended minimum could also be considered for use each year to help out if needed.

Adjournment:

F. Petersen made a motion to adjourn, D. Cohn seconded, passed unanimously. The meeting adjourned at 7:24 P.M.

Respectfully submitted,

Margo B. Lewis, Recording Secretary