

**Town of Canaan Board of Finance
Public Budget Hearing II
Friday, May 9, 2008, 7 p.m.
107 Main Street, Falls Village, CT 06031**

Present: Kent Allyn, Denise Cohn, George Elling, Fred Petersen, and Alternate Tracy Atwood.

Others: First Selectman Patricia Allyn Mechare, Selectmen Peter G. Lawson, BOE Chairman Andrea Downs and BOE Members Mary Elling and Mary Atwood, LHK Principal Maria Bulson, Transfer Station Manager Fred Palmer, Faye Lawson, Noelle LaMuniere, Ross Grannon, George and Ann Anastasio, Brandy Ouelette, Ruth and Ed Epstein, Stephen Dean, Marilyn Simmons, and Amy Wynn

Board of Finance Member E. Frederick Petersen called the meeting to order at 7 P.M. and indicated he was asked to chair the hearing by Chairman Lemmen, who could not be present due to a family emergency.

2008-2009 Board of Education Budget:

Petersen indicated that he hoped questions would refer to the financial aspects of the Board of Education budget and noted the Board of Finance can only recommend an increase or decrease in the total budget, not recommendations on individual lines. He asked that all questions be addressed to the Chair.

- D. Cohn - According to her calculations, last year's per pupil cost increase was \$250/student, but with the lower enrollment next year and the current increase in the budget, she finds an increase /student of over \$2,000, or 10x more than the current year. She believes the increase is not justified.
BOE Chairman Andrea Downs states that while the overall increase in the budget is not a significant increase, there are fixed costs (building costs, contractual costs, benefits costs, energy costs) that cannot be altered, and even if a full teacher's position were to be eliminated, based on lower enrollment, there would still be a significant per pupil cost increase. The increase reflects many costs that have escalated.
- Cohn's other concern – an increase of staff in the middle school area with a projected 25% middle school enrollment decrease. Down's noted next year's total fulltime equivalent teacher number remains the same as this year, but how the staff will be dispersed (class configurations/groupings) will not be decided upon until a presentation/recommendation by the principal and staff to the BOE.
Mechare noted that, as F. Petersen noted earlier, the community would do well to focus on the entire budget increase, whereas the grade structure is not a monetary decision, but a decision that lies with the BOE. Petersen noted that the entire increase for the coming year is 2.2% for LHK.
- A question about the possibility of bringing in revenue to offset budget increases by opening the school to a limited number of tuition students, i.e. \$5,000 fee, based on the excellent reputation of our small school, in order to lower the per pupil costs. Downs noted that if asked to by the Town, the BOE would consider this option very seriously, after checking the legal parameters and studying the financial ramifications of per pupil costs. Others noted - why not charge the per pupil cost? Children of faculty (out-of-town) are taken at Region One schools tuition-free as part of the contractual agreement for faculty.

- Are there long-term budgetary teacher salary projections, based on the retirement of the part-time (37 yrs.) music teacher, currently at the top of the pay scale? The BOE expects some savings with a new music teacher salary-wise, but the benefits side for all teacher contracts is an unknown percentage projection overall. We are currently on the first year of a 4-yr. teacher contract.
- Is there a reflection in this budget for the ongoing financial obligation to educate the middle school teacher (certified in social studies only), who's position will increase to 0.8, so that she can teach other grades/subjects? No, while the contract says we will pay for up to 6 credits/yr. for any teacher in a planned program, this does not affect this or next year's budget for this teacher, although professional development funds i.e. REAP grant funds can be used for this purpose. Discussion of how changes in teacher hours to meet the educational needs is reviewed and how hours are increased or decreased contractually, once established.
- Further comments on changes in staff, but as not relevant to discussion of changes in the budget, no further discussion.

Petersen reiterated that the BOF was not approving this budget, but whatever the BOF decides will be a recommendation to the Town Meeting for vote, where it is approved or rejected.

- In response to a question - while discussion of the budgets at the Town Meeting is technically not the appropriate place/time (the Public Hearing is), there will be other items on the Agenda for that meeting for which discussion would be appropriate.
- A clarification - the Region One portion of the Town of Canaan Education Budget has been approved by referendum. By CT Statute each town in the district must next appropriate their share of the Region One budget. The Education Budget that we vote on at Town Meeting is the LHK budget combined with our share of the Region One Budget - an overall 0.2 % increase. There will be two separate budget votes (established by a 1990 Town Ordinance): 1.) the total Education Budget and 2.) the Municipal Budget.
- Questions about what would happen if the Education Budget was voted down – how would the Regional portion get paid, since the Town has to provide that money regardless of the vote. If the vote fails, it goes back to the BOF to reconsider for reduction or increase.
- Computer Hardware narrative says Town of Canaan - is that for the school? – Yes
- Seeking further information on how figures for A-V Equipment and Athletic Equipment were obtained. Bulson notes the A-V Equipment figure is exact and Athletic Equipment figure is probable. And whether “end-of-the-year” expenses made this FY for next year are planned? Petersen noted that if they need something in the coming year that there was a plan to obtain already, and there is money left in the current year, yes, it can be spent since it has already been appropriated rather than increase the next year's budget.

2008-2009 Municipal Budget:

- T. Christian asked why the Municipal Budget was prepared by the Board of Selectmen, believing it to be the Board of Finance's responsibility. Petersen indicated that the BOS prepares the budget by requesting and collecting information from the various departments; based on those requests it presents a spending plan to the BOF. Christian asked if changes made by the BOS to the raw data from the departmental requests is presented to the BOF. Mechare indicated they did not, but departments have the option of presenting their portion of the Spending Plan to the BOF. Mechare noted that last year

the BOS asked the BOF if they wanted to take on the preparation of the Municipal Spending Plan.

- Question regarding over-expenditure of the Registrar of Voters – Mechare noted it was due to the Help America Vote Act (HAVA) with the required training, travel, additional work hours, new forms and ballots, etc. which will continue on in the new fiscal year, a presidential election year.
- Petersen asked about the implementation of the payroll step plan for DPW employees. Mechare noted the purpose was to bring the employees at least to the middle range of salaries for like-towns, based on the NWCOG study of hourly wages for highway employees. The BOS believed that previous percentage incremental increases had been “hit or miss”. It is a 10-step salary with 5% between each step and requires a positive performance evaluation to move from one step to the next, offering an incentive program to bring the employees into a fair and comparable range. It will be in place for three years to see how it works. D. Cohn asked if less than 5% could be offered based on a positive review that may not merit 5%, rather than locking into the 5% increment. Mechare noted that differing percentage raises for various people is not fair to our employees, who do a good job; we are seeking to keep them with us. Cohn asks that we have the Town Atty. review the program for possible labor issues. Mechare will do this.
- T. Christian asked if elected officials salaries would be reviewed to make them comparable to other towns. G. Elling indicated that this had been addressed last year and this year and, upon review of the NWCOG study of Elected Officials salaries, the BOF decided to make a change in one salary only.

G. Elling made a motion to adjourn, K. Allyn seconded. Passed unanimously. The Public Hearing adjourned at 7:59 p.m.

Respectfully submitted,

Margo B. Lewis, Recording Secretary

Please Note:

A tape recording of this hearing was made. It is on file at the Town of Canaan Town Hall