

Town of Canaan Board of Finance
Regular Meeting
Monday, January 14, 2008 6:30 P.M.
Town Hall, 108 Main Street, Falls Village, CT

Present: Chairman Charles J. Lemmen, Kent Allyn, Denise Cohn, George Elling, E. Frederick Petersen, and Alternate G. Tracy Atwood.
Absent: Regular Member Scott Macchi and Stephen Koshland
Also Present: Town Treasurer Linda Paviol, First Selectman Patricia Allyn Mechare, and BOE Chairman Andrea Downs.

Chairman Lemmen called the Regular Meeting to order at 6:34 P.M. and seated Alternate T. Atwood for absent Regular Member S. Macchi

Public Comment: None

Without objection, LHK Board of Education Chairman Andrea Downs was given the floor to report that Region One Business Manager Sam Herrick believes the number of children who live at or below the poverty level in our school is at ten and therefore we are in jeopardy of losing State funding for Title One. This has happened at Kent Center School. For 2007/2008, Kellogg received \$12,000 from the State towards the \$32,000 salary for its half- time Reading Specialist; \$20,000 came from the LHK budget. Given the uncertainty of the 2008/2009 Title One funding for the Reading Specialist, Downs seeks advice for the BOE budget planning. They do not receive word of this State funding until after the budget season. The BOF advice, by consensus, was to put the full \$32,000 salary amount for the Reading Specialist position in the LHK 2008/2009 proposed budget.

Secretary's Report:

The minutes of the December 10, 2007 Regular Meeting stand approved as published.
The minutes of the December 17, 2007 Special Meeting stand approved as published.

Treasurer's Report:

The Treasurer e-mailed the December 2007 Report to members prior to the meeting (attached). She noted that the \$27,626 CRRA settlement amount had been deposited and is shown in the Revenue Budget as #2410-951 Other Town Revenue.

G. Elling comments/questions:

- A "typo" in the Summary of Budgets: Municipal Budget, Used % - 6.72%. The Treasurer will correct this.
- Our potential of liability with any banks holding our funds? Paviol noted that we have an agreement with SB&T. They hold \$1,000,000 securities in our name with a Treasury bond. She indicates that approximately \$400,000 of our funds in TSB could potentially be in jeopardy. Though public funds could secure some of it, the auditor feels we have a substantial amount at risk. Two options were discussed: 1.) ask the TSB if they are willing to sign a Treasury bond note to secure our funds or 2.) Put more funds in SB&T and take advantage of their willingness to secure a total \$1,500,000 in our name. Paviol will research this and report back.
- About the low 8.2% spending for the # 4001 - Recreation Commission line at the half-year mark? Paviol indicated the Rec. Comm. expended some amounts for fall and winter events and funds were forwarded to the Falls Village Theater Co. for an upcoming performance, but a large amount for the pool is yet to be expended.

F. Petersen noted that the Registrar of Voters expenditures may exceed the budgeted allocation due to required additional training sessions and hours for them and poll-workers with the new voting system. **A motion was made by G. Elling to receive the December 2007 Treasurer's Report. F. Petersen seconded. Passed unanimously.**

Tax Collector's Report:

The December 2007 Report was distributed (attached). Collections were noted to be very good. **A motion to receive the December 2007 Tax Collector's Report was made by F. Petersen. K. Allyn seconded. Passed unanimously.**

Board of Education Financial Report:

The December 2007 Report was distributed (attached). Some questions about the Professional Services line, the Telecommunications/Internet line, and the Substitute Teachers line were addressed by Chairman Downs. **K. Allyn moved to receive the December 2007 BOE Financial Report. D. Cohn seconded. Passed unanimously.**

First Selectman's Report:

- The \$27,626 CRRA settlement payment was received. Pursuant to that, a letter was received from Transfer Station Manager Fred Palmer asking if that amount could be put toward a bulky waste storage structure, which he anticipates will be required in the next five years due to limited burying space and noting that the CRRA over-charges were originally expended from the Waste Management line. Mechare notes the BOS may want to set-up a new capital non-recurring account to set-aside funds for this structure with some of the CRRA settlement, and put the residual towards finishing the pool.
- The FV Sawmill owner and staff have started erecting the pool house on site. The amount from the pool STEAP Grant and unexpended Town designated pool funds should cover most costs; however, an amount may be needed from other Town funds to complete the project this spring.
- The deadline is January 21st for reports for the 2007 Town Report. The BOS will schedule a Town Meeting to accept the Annual Audit and Town Report.
- The BOS approved the contract to hire Robert E. King & Co., P.C. as municipal accountant at a Special Meeting, January 9, 2008.
- Kent Allyn has the 107 Main Street STEAP Grant Project bid contracts ready to send to DSS. Roof work is scheduled to begin next week, weather permitting, with 50-yr. shingles; all other work is expected to be complete this spring.

Old Business:

Final Copies of Year-Ended June 30, 2007 Financial Reports/Audit/Statements – Chairman Lemmen distributed the auditor's final copies of the Year Ended June 30, 2007 Financial Statements Audit and one copy of the State Single Audit narrative report (attached). Lemmen will prepare the required letter for the State indicating that the deficiencies noted by the auditor have been addressed by the Town hiring a qualified municipal accountant.

Report on Extra Accounting Services Contract – When the revised contract (attached) was received from Robert E. King, it listed a travel expense, based on the regular hourly rate for Shelly Sundie and Christopher King, in addition to the services they will provide at the Town offices. Originally travel was to be charged on visits of less than four hours. Discussion followed. Although it is not clear how many hours the accountants will need to spend annually, it will be an agreement between the Town Treasurer, the Town Auditor, and the municipal accountant within the framework of the contract. The consensus was to depend on Paviol to inform the Board how the arrangement is working out for hours and costs. **A motion was made by F. Petersen to recommend to the Board of Selectmen the revised contract to hire Robert E. King & Company, P.C. D. Cohn seconded. Passed unanimously.**

Adjournment:

F. Petersen made a motion to adjourn, D. Cohn seconded, passed unanimously. The meeting adjourned at 7:25 P.M.

Respectfully submitted,

Margo B. Lewis
Recording Secretary