

TOWN OF CANAAN
BOARD OF SELECTMEN, SPECIAL MEETING MINUTES
September 28, 2023 @ 10:00AM
TOWN HALL, 108 MAIN STREET IN-PERSON AND VIA ZOOM
FALLS VILLAGE, CT

Members Present

Greg Marlowe, Henry Todd and David Barger – all in person

Call to order

Henry Todd called the meeting to order at 10:00am.

Solar Project

Greg Marlowe made a motion to recommend the attached financing proposal to the Board of Finance for the Solar Project. David Barger seconded the motion; unanimous.

Replace air conditioner/heater at Town Hall

Greg Marlowe made a motion to approve and recommend to the Board of Finance up to \$10,000 for the replacement of the air conditioner/heater in Town Hall, and recommend same to Town Meeting. Funds will come from the 107/108 Main Street Property Reserve account #1702630541. Seconded by David Barger; unanimous.

It was noted three bids were obtained. The lowest and best quality bid came from JCO Plumbing of Falls Village.

Tax Refunds

David Barger made a motion to approve the Tax Refunds as presented for a total of \$1016.78 (see attached). Seconded by Greg Marlowe; unanimous.

Cobble Road

No action taken as this was approved at a previous meeting.

Adjournment

Greg Marlowe made a motion to adjourn the meeting at 8:42pm. Seconded by David Barger; unanimous. Meeting adjourned.

Respectfully submitted by Recording Secretary Denise Cohn.

Attachments:

Tax Refund worksheet
Solar financing proposal

Refunds

Posted Refund Transaction (s)

CANAAN TAX COLLECTOR Int Date: 09/18/2023

Date: 09/18/2023

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Bill Dist/Susp/Bank	Name Address	Prop Loc/Vehicle Info. UniqueID/Reason	Paid Date	Tax	Int	L/F	Total Adjusted	Overpaid Tax
2022-03-0050568	JP MORGAN CHASE BANK NA PO BOX 901098 FORT WORTH TX 76101	2020/8AURH6/4S4BTGND4L3111931 50568 Sec. 12-129 Refund of Excess Payments due to taxpayer overpayment or Assessor adjustment.	8/1/2023	44.69 538.44	0.00 0.00	0.00 0.00	44.69 538.44	-493.75
2022-03-0051184	TOYOTA LEASE TRUST 20 COMMERCE WAY SUITE 800 WOBURN MA 01801-1057	2018/2AWWG0/JTJDGKCA3J2000607 51184 Sec. 12-129 Refund of Excess Payments due to taxpayer overpayment or Assessor adjustment.	7/17/2023	47.33 570.36	0.00 0.00	0.00 0.00	47.33 570.36	-523.03
TOTAL	2			92.02 1,108.80	0.00 0.00	0.00 0.00	92.02 1,108.80	-1,016.78

Growth in Total Town Budget	2% /Year
Growth in budget for 2024/5	\$116,000
Growth in Grand List Projected	1%
Increase in Taxes At 21mils	\$50,400
Addltional draw on GF for 2024/5	\$65,600
Needed to Balance GF in 2023/4	\$323,000
Needed to Balance GF in 2024/5	\$388,600
To Maintain 8% GF Balance	\$480,000
Therefore Balance at year 2023/4	\$868,600
Current GF	\$702,000
Sale of 35 RR STreet	\$290,000
Tax sale revenue	\$114,000
Estimated budger surplus 2023/4	\$100,000
Estimated GF Balance 2023/4	\$1,206,000
Funding needed to pay all Solar	\$420,000
Needed to maintain 21 mils	\$388,600
GF balance 6/30.24	\$397,400
If borrow \$120000	\$120,000
GF Balance 6/30/24	\$517,400
if Borrow \$220.000, GF balance	\$617,000

Potential Financing Plan for Solar Based on Paying off \$200,000 or \$300,000

General Fund of the Town as of 7/1/23 is \$1,026,400. We have added to that figure \$114,000 through our tax sale and will receive about \$290,000 from the sale of the firehouse this year. For next year, fiscal year 2024/5 we will need about \$388,000 to maintain the mil rate established for this fiscal year 2023/4.

In our view, to protect the GF in the short run, we should pay off either \$200,000 from the balance of the cost of the solar farm after the 30% paid by the government, leaving a balance of \$220,000 to finance for a four year period, or pay off \$300,000, leaving us a balance to pay off over 2 years.

In either case, we should anticipate interest rates of about 7%. Borrowing \$220,000 for four years would still keep the net value to the town over 25 years over a million dollars. Total principal paid off over 4 years at \$55,000 per year with a net interest cost of \$38,500. Borrowing \$120,000 over a two year period by paying off \$60,000 per year with interest of \$12,600 over both years, gaining the town about 1.15 million over 25 years.

The first alternative would leave us with a projected balance in the GF after subtracting the amount needed to maintain our 21 mils, would be about \$617,000 give or take \$20,000. The second alternative would leave us with a GF balance of \$517,000 plus or minus \$20,000. This is assuming a 1% increase in the Grand list and a 2% increase in the overall 2024/5 budget.

Keeping an eye of the Federal Reserve, it is anticipated that rates will begin to fall in the 2024/5 year. Thus borrowing as little as we can this year would be appropriate and putting off any future spending until rates begin to lower.

9/20/23

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Keeping an eye of the Federal Reserve, it is anticipated that rates will begin to fall in the 2024/5 year. Thus borrowing as little as we can this year would be appropriate and putting off any future spending until rates begin to lower.

If we borrow \$220,000 over 4 years, assuming a 7% interest rate, the principal payments of \$55,000 per year (offset by the savings), the finance costs would be \$38,500 in total. Conversely, if we paid off a balance of \$120,000 over two years with \$60,000 principal payments, the finance costs would be \$12,600. In case 1, the return over the 25 year anticipated lifespan of the project would be about 1.16 million. In case 2, the return would still be over \$1 million.

9/20/23