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
<table>
<thead>
<tr>
<th>Bill</th>
<th>Name</th>
<th>Prop Loc/Vehicle Info.</th>
<th>Paid Date</th>
<th>Tax</th>
<th>Int</th>
<th>L/F</th>
<th>Total Adjusted</th>
<th>Overpaid Tax</th>
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<tbody>
<tr>
<td>2022-03-0050569</td>
<td>JPMORGAN CHASE BANK NA</td>
<td>2020/8AURH6/4S48CND4L311931</td>
<td>8/1/2023</td>
<td>44.69</td>
<td>0.00</td>
<td>0.00</td>
<td>44.69</td>
<td>-453.75</td>
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<tr>
<td>2022-03-0051184</td>
<td>FORT WORTH TX 76101</td>
<td>50568</td>
<td>538.44</td>
<td>0.00</td>
<td>0.00</td>
<td>538.44</td>
<td>-493.75</td>
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<tr>
<td></td>
<td>TOYOTA LEASE TRUST</td>
<td>Sec. 12-129 Refund of Excess Payments due to taxpayer overpayment or Assessor adjustment.</td>
<td>7/17/2023</td>
<td>570.36</td>
<td>0.00</td>
<td>0.00</td>
<td>570.36</td>
<td>-523.03</td>
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<tr>
<td>2022-03-0051184</td>
<td>WOBURN MA 01801-1057</td>
<td>51184</td>
<td>47.33</td>
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<td>47.33</td>
<td>-523.03</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>92.02</td>
<td>-1,016.78</td>
</tr>
</tbody>
</table>
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
Additional 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