

TOWN OF DURHAM
BOARD OF FINANCE
P.O. Box 428
DURHAM, CONNECTICUT 06422-0428

BOARD OF FINANCE

NOVEMBER 20, 2007

MINUTES

The Board of Finance met at the Durham Town Hall, 30 Town House Road, on Tuesday, November 20, 2007.

Members Present: Fran Korn, Loraine Coe, Elmer Clark, Rosemarie Naples, Jay Berardino

Members Absent: Rob DeSimone

Others Present: Maryjane Malavasi, Laura Francis, Scott Wright, Harry Hall, Jim McLaughlin, Maryann Boord, Bob Fulton, Kim Garvis, Martin French, Laurie Stevens, Renee Primus-Edwards, Ron Capozzi, Charles Corley (*Town Times*).

1. Call to order:

The meeting was called to order by Chairman Fran Korn at 7:30 p.m. It was decided to change the order of business to hear first from those people present.

2. Senior Tax Relief Ordinances – Board of Selectmen:

Fran Korn asked for questions from the Board members regarding these ordinances. Jay Berardino wanted to know what source was used to derive where the income limits came from. Ron Capozzi said it was the household income for a family of four. Jay wanted to know if they looked at HUD's breakdown. Ron said that they got their figures from the census bureau. Jay feels that the proposals are completely flawed and should be revisited by the Board of Selectmen. He said there was not enough consideration given to qualify elderly that are truly needy.

Renee Primus-Edwards said the Board of Selectmen came this evening because the ordinances were to be presented. A lot of work went into these ordinances. When the Board of Selectmen meets at their next meeting they will take the Board of Finance recommendations to a town meeting. It is the responsibility of the Board of Selectmen to take it to a town meeting. Renee said that not many people in other towns have taken advantage of the deferral ordinance. Most people like the tax freeze and prefer not to have their property encumbered by a lien. Jim McLaughlin said that the Deferral

Ordinance was used mostly by the really destitute. Fran felt that the income level threshold was too high. Maryann Boord asked if savings and other assets were considered or just the income. Ron said it was only income. Maryann said that we may want to look at this if applicants have a 401k or IRA to draw down on. This money should not be something you can put away forever. Elmer Clark asked if someone was a renter and a senior why they can't get into this. It was stated that a renter cannot be eligible for this.

Rosemarie Naples wanted to know how much work it would be to review the threshold amount and lower the \$84,000 figure. She feels that figure is much too high and should be reduced to a reasonable figure. Martin French encouraged the Board to move forward. The Deferral ordinance will depend on participation. You can lower the number and it will not effect the participation. The focus of the committee was to develop programs. Fran asked the Committee to look into income statistics for the town and come up with a reasonable number. Ron Capozzi asked the Board to give them some direction on how to derive a number. Fran said that they should not use the same numbers for both programs. Jay Berardino said they should look at the HUD numbers. Renee said that they should also look at the formula for the years of residence to be factored in.

Laura Francis asked if they have studied how many people 65 or older have lived in Durham for the required years and would be eligible. Ron said it is for people who have lived in the town for a number of years and participated in things in town and contributed to the budget. Fran said we are trying to keep people in town and not drive them away. Ron said they use the household median income in Town and that our numbers are lower than Guilford and Madison.

A MOTION WAS MADE BY FRAN KORN, SECONDED BY LORAIN COE THAT THE BOARD OF FINANCE SUPPORTS THE PROPOSED SENIOR TAX RELIEF PROGRAM ORDINANCE AND IT SHOULD BE TAKEN TO A TOWN MEETING. BASED ON THE ORDINANCE AS PRESENTED THE TOWN HAS THE ABILITY TO FUND THIS ORDINANCE. AYES: FRAN KORN, LORAIN COE, ROSEMARIE NAPLES, ELMER CLARK. ABSTAIN: JAY BERARDINO. MOTION CARRIED.

A MOTION BY FRAN KORN, SECONDED BY ELMER CLARK THAT THE COMMITTEE REVIEW THE INCOME THRESHOLDS ON THE SENIOR TAX DEFERRAL PROGRAM AND COME BACK TO THE BOARD OF FINANCE FOR FURTHER REVIEW. MOTION PASSED UNANIMOUSLY.

3. Durham Mfg. – Ambulance Corps Septic Tank:

The next item of business was the expense to replace the existing septic tank at the ambulance property. Durham Manufacturing paid for the new tank and is requesting

reimbursement. Maryann Boord said that the Board of Selectmen voted that we feel it is the town's responsibility, and recommended taking \$12,950 from the fund balance to pay this bill.

A MOTION WAS MADE BY JAY BERARDINO, SECONDED BY LORAIN COE TO PAY FROM THE FUND BALANCE THE AMOUNT OF \$12,950 to 4030-452 FOR THE SEPTIC TANK AT THE AMBULANCE BUILDING. AYES: LORAIN COE, ROSEMARIE NAPLES, ELMER CLARK, JAY BERARDINO. ABSTAIN: FRAN KORN. MOTION CARRIED.

4. Durham Fair Water Issue:

The next item was brought up by Jim McLaughlin regarding the original agreement between the Town of Durham and the Fair Association. The town was to provide the Fair with water. To make sure the Fair did not run out of water they hired standby tankers, water and people to work the system. The water system did not fail and the bill for this is additional service is \$2,476.40. It will cost \$26,000 to put in an extra pipe to insure an adequate supply to the fair. The cost of the change order is to be covered by the engineering firm that designed the system and the company that was hired as project manager. They are requiring tests for the construction of the water system. The test that is required by DPH is because the source of the water is from different wells (the Durham Fair wells). The test is called a Ground Water Under Direct Influence study and will cost approximately \$12,000. It was mentioned that maybe it should be brought to a Town meeting to explain why we are paying this bill.

Jim McLaughlin said there were two promises made to the Fair Association: they would have enough water and they would have perpetual use of the Town Green for the Fair. Jim said the wells are on town property. It should be noted that McLaughlin said that these promises were made by a previous administration and should be honored. The Fair Association agreed to give the wells to the town if the town gave the Fair water. Renee said it is expected that this is a one time expense which was a safety measure because they were not sure the wells would supply the Fair for three days.

A MOTION WAS MADE BY FRAN KORN, SECONDED BY LORAIN COE TO TRANSFER \$2,476.50 FROM CONTINGENCY TO LINE ITEM 1010 OFFICE OF THE FIRST SELECTMAN, TO COVER EXPENSES TO PROVIDE WATER FOR THE DURHAM FAIR. MOTION PASSED UNANIMOUSLY.

5. Requests for Transfers from Reserve:

The next item of business was from Harry Hall requesting \$350,000 from the Fire Equipment Reserve for a new tanker. Fran asked if this money was going to be spent in this fiscal year. If not, how much is needed for a deposit. Harry said the cab and chassis would probably be around \$180,000, if we pay up front we save money. The

extras for the tanker would also be purchased at this time, the cost is not to exceed \$350,000. Fran stated that this would have to go to a Town meeting.

A MOTION BY FRAN KORN, SECONDED BY ROSEMARIE NAPLES TO TAKE TO A TOWN MEETING A TRANSFER FROM THE FIRE EQUIPMENT RESERVE ACCOUNT THE AMOUNT OF \$350,000 TO 4020 VOLUNTEER FIRE COMPANY FOR A NEW TANKER. MOTION PASSED UNANIMOUSLY.

Harry then requested \$20,000 from the Reserve Fire Department Retention Program. He stated that this is an incentive program to reward members and bring new people into the fire department. Penflex will manage the program. The Fire Company also will contribute to this program. The purpose of this program is to reward members for their length of service. Fran asked if this was going to be an ongoing expense to the town. Harry stated that if they are able to fund it themselves they will not have to come to the town, this money is just to get them started. Fran requested a copy of the plan. Harry said they have to be an active member and take part in all activities to qualify. This money will just cover in case there is a problem with a fund raiser. He also stated that they need more daytime help.

A MOTION BY JAY BERARDINO, SECONDED BY ROSEMARIE NAPLES TO TAKE TO A TOWN MEETING THE TRANSFER OF \$20,000 FROM THE FIRE DEPARTMENT RETENTION RESERVE FUND TO 4020 VOLUNTEER FIRE DEPARTMENT. MOTION PASSED UNANIMOUSLY.

6. Minutes:

MOTION MADE BY ELMER CLARK, SECONDED BY JAY BERARDINO, TO APPROVE THE MINUTES OF THE REGULAR MEETING OF OCTOBER 16, 2007. AYES: COE, BERARDINO, NAPLES, CLARK. ABSTAIN: KORN. MOTION CARRIED

MOTION MADE BY LORAIN COE, SECONDED BY ELMER CLARK, TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF NOVEMBER 7, 2007. MOTION PASSED UNANIMOUSLY.

7. Invoices:

A MOTION WAS MADE BY JAY BERARDINO, SECONDED BY ROSEMARIE NAPLES TO PAY ALBERT J. RUSILOWICZ'S BILL OF \$5,000 FOR THE ACCOUNTING SERVICES PROVIDED TO THE TOWN. MOTION PASSED UNANIMOUSLY.

A MOTION WAS MADE BY LORAIN COE, SECONDED BY JAY BERARDINO TO PAY THE BILL FROM WM. CORVO FOR THE PRINTING OF THE 2006

TOWN REPORT IN THE AMOUNT OF \$3,325.00. MOTION PASSED UNANIMOUSLY.

A MOTION WAS MADE BY FRAN KORN, SECONDED BY LORAIN COE TO PAY MARYJANE MALAVASI \$1,266 FOR SECRETARIAL SERVICES FOR THE FOUR MONTHS OF MEDICAL LEAVE COVERAGE FOR SHARON CRISCUOLO. MOTION PASSED UNANIMOUSLY.

8. Correspondence:

A letter was read from Citizens Bank regarding our deposits being collateralized. According to this letter the deposits are being collateralized.

9. Additional Appropriation Request – Chip Seal

The next item was the chip sealing overage. Fran had a question of the overage of chip sealing of \$11,349.96. He wanted to know who authorized the chip sealing of Chaker and Shunpike Roads? When Kurt Bober came before the Board for these projects he was told he could do them as long as the budget was not overexpended. The overage could be taken out of another line item in this Highway Department. The Board wanted to know why there was such an overage. Loraine Coe said that oil is used for chip sealing and oil is very expensive at this time.

Laura Francis asked if these requests come from any department should the person come to present it to the meeting. Maryjane Malavasi does present these expenses to the Board under normal circumstances.

Fran said that the major projects will go out to bid. Jay Berardino said we made ourselves very clear and we have to question the overexpenditures that they have to come to us before spending the money. Fran wanted to know if there should be some money in the budget in case something happens, and that any project over \$10,000 we would like to see them itemized. Rosemarie Naples wanted to know about the inspections, she said the buildings have not been done and we need to know where our expenses will be in future years. Fran stated that we want to be forewarned of any budget for major expenses. Jay said that the department head of the Highway Department went ahead and arbitrarily made a decision to do additional work without approval. Loraine wanted to reiterate he has to come to us before he spends any extra money.

10. Additional Appropriation Request – Tax Software Contract

Maryjane said that MUNIS would not cancel our contract until December 31, 2007 and that we have a \$12,500.00 payoff. It was suggested to pay \$12,500 from the undesignated fund balance. This was tabled until we get a copy of a signed contract.

11. 2009 Budgets – Tabled to the next meeting.

12. Elected Officials Salaries

This item is currently in the hands of the Compensation Review Committee and will be revised when a recommendation is brought forward.

13. Other

Fran asked if next month's meeting could be changed from the 18th to the 11th as he will be out of town. The board agreed. At this meeting Fran would like to discuss some of our goals for 2008 that we want taken care of.

Jay Berardino said that the audit stated that the Tax Collector used his account to purchase "sundry" items, and wants to review the issue.

14. Adjournment

The meeting was adjourned at 9:30 p.m.

Respectfully yours,

Sharon J. Criscuolo