

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

BOARD OF FINANCE

APRIL 4, 2005

MINUTES

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The Annual Budget Hearing was held at the Durham Public Library on Monday, April 4, 2005. Chairman Fran Korn called the hearing to order at 8:00 PM.

**Members Present:** Fran Korn, Loraine Coe, Paul Keurajian, Jay Berardino, Elmer Clark, Fred Raley

**Others Present:** Approximately 40 townspeople, elected officials, Town employees and press

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Fran Korn called the Annual Budget Hearing to order at 8:00 PM. Elmer Clark led the pledge of allegiance to the flag. Fran reported that the Board of Finance met 14 times for review and preparation of the 2005-2006 budget. He explained that the primary concern of the Board of Finance during the preparation of this budget was to minimize the impact on taxpayers. He thanked the members of the Board of Finance for their hard work in developing the proposed budget for fiscal year 2005-2006. Fran explained that he would review highlights of the budget one section at a time and respond to questions following the review of each section.

**Elected Officials and Boards**

The total budget proposed for Elected Officials and Boards is \$387,103, an overall decrease of 2% over the current budget of \$393,728.

- A reduction of 28% in the Board of Finance budget (1000) reflects a proposed change in the way Annual Town Reports are distributed. Fran explained that the Town can save a significant amount of money each year in printing and postage costs by making reports available to anyone who wishes to have one, but not mailing reports to property owners.
- A reduction of \$5,000 was made to the Board of Selectmen's budget request (1010) to reduce Consultant expenses because the remaining balance of the Consulting line item for FY 2004-2005 can be carried over into FY 2005-2006.
- The Tax Collector's budget (1020) has been increased to reflect the addition of 3 hours per week for the Tax Collector, bringing his total hours to 35 per week. An increase in the number of hours per week for the Assistant Tax Collector was not approved.

**Public Comments and Questions on Elected Officials and Boards Budgets**

- Donia Viola commented that she is not in favor of providing automatic wage increases for elected officials simply because the Town's union employees receive them. She asked if wage increases are included in the budget projections. Fran explained that union contract negotiations are underway, and the level of increase for the next fiscal year is not yet

known. Wage increases are not reflected in individual budgets; however the B/F has put money aside in Contingency for anticipated wage increases for all Town employees.

- Kurt Bober commented that he would prefer to have the Annual Town Report mailed.
- David Montgomery commented that he believes that by not mailing the Annual Town Report the Town could be in violation of previous Town Meeting action. He asked if the Town is reaching the point where the budget should be published in the newspaper. Fran replied that the Board of Selectmen, at the request of the Board of Finance, had requested Town Counsel for an opinion as to whether the Annual Report must be mailed each year, and Town Counsel provided an opinion that there is no requirement to mail the Annual Report as long as the B/F makes the Report available to any taxpayer who wants one. Fran offered to check into the circumstances under which Durham would be required to publish its budget in the newspaper.

### **Professional Services**

The total budget proposed for Professional Services is \$534,359, an overall decrease of 8% from the current budget of \$494,054.

- The Board of Finance did not approve \$10,000 requested for the Building and Health budget (1520) for the second phase of the records Microfilming Project because that money should come from the Building Maintenance Reserve Account with Town Meeting approval.
- The Finance Department budget (1525) is increasing to provide a step increase to a long-time clerical employee.
- Town Counsel Litigation (1530) in the amount of \$41,000 reflects \$10,000 for the Power Lines issue, \$11,000 for the Tax Collector to pursue delinquent real estate taxes, and \$20,000 for other matters that may result in litigation.
- Planning and Zoning Legal Counsel (1555) was approved at \$1 because the remaining balance of this line item for FY 2004-2005 up to \$10,000 can be carried over into FY 2005-2006.
- The Information Technology (IT) budget (1565) has increased significantly due to an increase in the MUNIS system maintenance contract now that the Tax Collector's office and the Tax Assessor's office use the MUNIS system along with other Town departments. In addition, \$4,500 will be used to replace a server and several PC's that are scheduled for replacement during the 2005-2006 fiscal year

### **Public Comments and Questions on Professional Services Budgets**

- Carol Kleeman asked if money is in the budget for moving PCs and other computer equipment during renovations to the Town Hall. Fran replied that money is not in budget 1565 for this purpose, and no money has been set aside specifically for the relocation of computer equipment.
- In response to a question from Mary Ryan, Rett Mancinelli explained the components of the IT budget including the cost for the Local Area Network (LAN) and the MUNIS system.
- Rick Parmelee asked if the \$10,000 set aside for litigation related to the power lines issue could be exceeded, and Fran replied that it was possible.

### **Town Commissions**

The total budget proposed for Town Commissions is \$99,623, an overall increase of 3% from the current budget of \$96,872.

- The Board of Finance supports the request from the Conservation Commission (2020) for funds to provide gates on Dead Hill Road and Cream Pot Road. These funds should come from the Conservation/Open Space Reserve account.
- The budget for the Historic District Commission (2035) is increasing as a result of the publication of a walking tour brochure.

**Public Comments and Questions on Town Commissions Budgets**

- In response to questions about the Parmelee Hill Barn, Brian Ameche explained what was involved in maintenance of the new barn and reported that he believes rent for the barn will be \$2,000 per year with annual escalators in the lease agreement. In response to a question from Roger Kleeman, Fran reported that rental income from the barn goes to the Town, which can be seen in Local Revenues line item 715 which lists anticipated revenue from the Conservation Commission.

**General Expenses**

The total budget proposed for General Expenses is \$826,563, an overall increase of 18% over the current budget of \$698,083

- Social Security (2505) is increasing by 7%.
- Employee Retirement Plan (2515) is increasing by 19%.
- Insurance Payroll Related (2525) is offset in part by revenue in the amount of \$42,787.
- Town Hall Property Maintenance is decreasing due to the removal of two line items from this budget that were put into two new budgets: 1) Municipal Buildings Fuel Oil, and 2) Municipal Buildings Janitorial Services.
- A new budget has been established (tentatively numbered 2562) for Municipal Buildings Fuel Oil. This budget has been approved in the amount of \$22,100 based on fuel oil expenses removed from other budgets including Town Hall, Library, Ambulance Building, and Department of Public Works (DPW).
- A new budget has been established (tentatively numbered 2563) for Municipal Buildings Janitorial Services. This budget has been approved in the amount of \$25,900 based on janitorial service expenses removed from other budgets including Town Hall, Library, Ambulance Building, and the Firehouse.

**Public Comments and Questions on General Expenses Budgets**

- Rick Parmelee commented that he thinks it is a good idea to separate out fuel oil for all Town property and work toward obtaining heating fuel under a contractual agreement.
- In response to a question, Fran reported that no new employees are included in the budget.
- David Montgomery asked for clarification of line item 2525. Fran reported that the line item reflects the cost for medical insurance for Town employees from Anthem/Blue Cross and includes 12 individual policies and 18 family policies.
- Carol Kleeman asked if Town employees have the same medical insurance as employees in Regional School District 13. Maryann Boord replied yes.
- Mary Ryan asked what percentage Town employees currently contribute to the cost of their own medical insurance, and Fran Korn replied 4%. In response to a follow-up question Fran explained that all employees contribute 4%, whether they have individual or family medical coverage.

**Public Works**

The total budget proposed for Public Works is \$933,691, a 2% increase over the current budget of \$918,907.

- The Street Lights budget (3000) is projected to increase 16% over the next fiscal year.
- Capital Equipment (3005) was approved with the removal of \$14,000 requested for a new mower head. The DPW will repair the existing mower at a cost of about \$4,000 instead.
- Regular DPW Maintenance (3010) was approved at the same level as the current budget (\$800,000) plus \$4,000 to repair the mower.
- Highway Projects (3500) include drainage repairs for three roads: Guire Road, Trimountain Road, and Parmelee Hill Road.

Public Comments and Questions on Public Works Budgets

- Rick Parmelee asked if any expenses associated with the Water Company are included in the Public Works budgets. Fran referred the question to Maryann Boord who explained that she has requested Kurt Bober to issue an invoice to the Town whenever Public Works staff performs work for the Water Company.
- Martin French asked what components are in budget 3010. Fran explained that approximately \$380,000 is for wages, \$100,000 is for chip sealing, approximately \$100,000 is for asphalt and stone, and the remainder is for snow plowing and sanding, as well as repair, maintenance, and fuel for vehicles and operating expenses such as electricity and telephones.
- Bruce Rau commended the Town's Public Works crew for the wonderful job they do in plowing, sanding, and maintaining Town roads.
- Kurt Bober explained that some budget requests from Public Works were not approved this year to allow the Town to fund the necessary improvements to the Town Hall. He asked the Board of Finance if they would reinstate \$17,000 that was requested for a new loader. Discussion followed about the condition of the Town's existing Caterpillar loader, its current trade-in value, and the number of years it should last before needing to be replaced. Roger Kleeman commented that it would be beneficial to the Town to buy its DPW equipment rather than lease it.

Public Safety

The total budget proposed for Public Safety is \$406,833, an overall 1% increase over the current budget of 403,374.

- Emergency Management (4000) was approved at \$1,000 less than requested because the current budget is underspent.
- The Dog Fund Transfer budget (4015) is increasing by 41% to reflect the establishment of a rental agreement with the Animal Control Officer where the Town will pay him \$350 per month for rental of the dog pound which is located on his personal property. It also includes an increase in the Animal Control Officer's annual salary, bringing it to \$14,400.
- Fire Company Trustees (4025) includes approval of costs to enlarge the parking lot, install additional lights in the parking lot, and replace toilets and urinals.
- The budget for Volunteer Ambulance Corps (4030) was reduced to reflect removal of custodial expenses which were moved to Budget 2563-Municipal Buildings Janitorial Service.
- Town-Wide Radio Communications (4032) is a new budget this year and includes costs for a new tower, telephone service, and repairs.
- Valley Shore Communications (4040) is increasing by 11% and reflects the amount assessed by Valley Shore to the Town of Durham.
- Public Safety (4065) was approved for \$500 because this budget is currently underspent and the remaining balance of this line item for FY 2004-2005 can be carried over into FY 2005-2006.

Public Comments and Questions on Public Safety Budgets

- Roger Kleeman asked what the Town's cost is for the Resident State Trooper, and Fran replied it is \$80,000.
- There was discussion regarding the new budget for Town-Wide Radio Communications and the need for an additional tower to remedy the current "dead spot" in town. Martin French commented that Scott Wright and others have done a great job researching the Town's radio communications needs. Maryann Boord noted that the Town received a FEMA grant for this equipment. Mary Jane Parsons asked if this budget included the cost for computer

software, and Fran replied that that cost would fall under Ambulance Service billing, however no activity has taken place to date.

### **Health and Welfare**

The total budget proposed for Health and Welfare is \$174,277, an overall 11% decrease from the current budget of \$194,828.

- The Eddy Center budget (4575) increased dramatically due to an increase in the number of Durham residents who utilized their services.
- The Durham/Middlefield Senior and Disabled Bus budget (4598) has decreased due to lower than anticipated ridership levels.
- The Durham Senior Citizens Board budget (4599) is increasing due to an increase in the number of programs offered.

### **Public Comments and Questions on Health and Welfare Budgets**

- David Montgomery asked what the Regional Training Camp budget is for (4540). Fran explained that it is a camp for special needs children and the amount in the budget reflects the cost for two campers who attended the camp for a total of 61 days.
- Kurt Bober questioned the cost for Middlesex Area Transportation (4595). Fran explained that the amount is based on an assessment for Durham passengers which totaled 2,643 in 2003-2004. Kurt questioned the number and commented that when he sees the bus there are very few passengers on it.

### **Library**

Elmer Clark explained that the total budget proposed for the Durham Public Library is \$384,497, a 1% decrease from the current budget of \$389,291. There has been an increase in the number of visits and circulation, and program participation has increased for children, seniors and others. Elmer explained that the amount requested for telephone expenses was reduced by the Board of Finance in the amount of \$3,500, and a request for \$7,250 for 10 additional page hours and 4 additional hours for the library assistant were not approved by the Board of Finance.

### **Public Comments and Questions on the Library Budget**

- Several members of the Board of Library Trustees requested the Board of Finance to reinstate the \$7,250 requested for additional hours for library staff. Jane Erickson, Mary Ryan and others explained the importance of reshelving books and the necessity of having 4 hours of additional coverage by the library assistant.
- David Montgomery recommended that the Board of Finance restore the funds that were not approved because the Library is an important cultural and intellectual resource for the community.
- Rick Parmelee commented that our Library is a great asset to the community, and if additional hours are needed for shelving books then the Town should support it.
- Martin French commented that he supports having pages reshelve books rather than have library personnel with Master's Degrees perform that task.
- Donia Viola noted that the Library has increased hours for staff in the past, and it does not appear that library employees are having difficulty handling the workload because she does not see lines of customers waiting to be helped when she goes into the library.
- Fran Korn noted that the Board of Finance has already discussed the possibility of restoring the full amount that had been requested for telephone service.

### **Recreation**

Fran Korn explained that the total budget proposed for Recreation (5505) is \$99,553; a 9% reduction from the current budget of \$109,004 based on a reduction in programs and projected program revenue.

#### Public Comments and Questions on the Recreation Budget

- Sue Vanderzee asked why the revenue from Recreation is decreasing. Fran explained that program costs and associated revenue are decreasing because the number of programs decreased due to the availability of space.
- David Montgomery asked where the salary for the Recreation Director is reflected. Elmer Clark reported that part of her salary is in the Recreation budget (5505) and part of it is in the Senior Citizens Board budget (4599).
- In response to a question from Roger Kleeman, Fran explained that revenue from Recreation programs is turned over to the Town and deposited in a Town account (line 805 under Local Revenues).

#### Miscellaneous

The total budget proposed for Miscellaneous Services is \$124,003, an overall 26% reduction from the current budget of \$168,501.

- Contingency (6020) has increased to plan for wage increases for Town employees.
- Fire and Ambulance Rebate (6040) and Seniors Tax Abatement (6045) are no longer being budgeted as cash expenditures as recommended by the Town Auditor. These two programs will continue through an adjustment to the Grand List.

#### Debt Service

The total budget proposed for Debt Service (7000) is \$386,650, a 3% decrease from the current budget of \$397,750. There are two payments due during FY2005-2006; a principal and interest payment of \$381,100 due October 15, 2005 and an interest-only payment of \$5,550 due April 4, 2006. Following these payments, there will be one more payment in FY 2006-2007 and then this bond will be paid in full.

#### Environmental Services

The total budget proposed for Environmental Services is \$371,120, a 12% increase over the current budget of \$332,647.

- The DMIAAB budget (7500) is increasing by 13% due to a decrease in anticipated revenue which is due primarily to a reduction in sticker revenue anticipated during the next fiscal year. Durham's portion of DMIAAB funding is 60.8% while Middlefield's portion is 39.2% based on the population of each town.

#### Public Comments and Questions on Environmental Services Budgets

- Kurt Bober commented that it is unfair that requests for equipment from DPW need approval from the Board of Finance but DMIAAB can purchase new equipment without the need for approval by either Durham or Middlefield.
- In response to a question from Martin French, Fran noted that the DMIAAB budget does include wage increases.
- Sue Vanderzee asked where it is shown that unspent money in the DMIAAB budget is returned to the Towns. Fran replied that it is not shown as revenue; it is used to reduce the amount DMIAAB requests from the two Towns.

#### General Fund Appropriation

The total amount proposed from the General Reserve Fund (6520) is \$505,000, a 26% decrease from the current budget of \$680,000.

#### Reserve Fund Budgets and Reappropriation

Fran reported that the total amount proposed for Reserve Fund Budgets is \$640,000. This amount includes \$25,000 for a Fire Equipment Storage Building on the Firehouse property; \$5,000 for the Durham Cemetery Company for the preservation of old stones (which is matched by an equal

contribution from the Durham Cemetery Company); \$10,000 for the Durham Volunteer Ambulance Corps; and \$600,000 for Renovation of the Town Hall.

- Reserve Fund budgets will be funded as follows: \$50,000 will be reappropriated from Open Space Reserves; \$50,000 will be reappropriated from Public Works Reserves; \$35,000 will be reappropriated from Highway Projects Reserves; and \$505,000 will come from the General Fund, for a total of \$640,000.
- Fran explained that several Reserve Fund requests for FY 2005-2006 were not approved by the Board of Finance. These requests included: \$100,000 for the Durham Volunteer Fire Company budget for fire equipment; \$10,000 for Elections for new voting machines; \$30,000 for Revaluation costs; \$100,000 for a Community/Senior Center, and \$50,000 for the Historic District Commission for renovation of Town-owned houses on Main Street, for a total of \$290,000 in Reserve Fund requests that were not approved for the '05-'06 budget.

### **Revenue Sources**

Fran reviewed the various Local and State revenue sources anticipated for FY 2005-2006. He explained that last year the town had over \$650,000 available in Fund Balance and Surplus to use to help offset the increases to the budget, however this year the Town does not have that amount available. He reported that an insurance payment for the Parmelee Hill Barn has been received, and the Town has been reimbursed in full for reconstruction of the Maple Avenue Bridge. He noted that the cash position of the Town is improving.

### **Public Comments and Questions on Revenue Sources**

- In response to a question, Fran explained that 78% of taxes are associated with Regional School District 13.
- There was a comment that with every new home which includes two children, the cost to the Town to educate those two children exceeds the amount of new revenue collected in property taxes.
- Fran expressed his concern, shared by other members of the Board of Finance, that it is becoming more difficult for young people and elderly people on fixed incomes to afford to live in Durham because of increasing property taxes.
- Rick Parmelee commented that no Regional school district sends money back to the towns they serve. He urged everyone to vote on the Board of Education budget.
- David Montgomery remarked that Regional School District 13 is a legal entity but it is not a municipality and is immune to the type of oversight that a Town receives. He also expressed his concern that by having only the required 5% minimum amount available in surplus, in the event of a spending emergency the Town could fall below the required minimum and our bond rating would be affected.
- In response to a question about the status of the grant for the Wimler Property Development rights, Maryann Boord explained that she expects the Town to receive the \$494,000 grant money in the near future, hopefully before this budget is voted on in May.
- Renee Primus asked if the Board of Finance has a goal of adding to the fund balance. Fran responded that he thinks there will be approximately \$400,000 in fund balance by the end of the fiscal year.
- Roger Kleeman asked if the Town might end up in litigation for the Water Company grant and the Skating Pond grant like we are currently in litigation for the Wimler Property grant. Maryann Boord replied that she does not anticipate that there will be any legal problems associated with those grants.

### **General Comments**

- Molly Nolan asked if the Board of Finance used to provide more detail in the printed copy of the budget distributed at the Annual Budget Hearing, and Fran replied that this version of the budget does not include two columns of data that were provided in prior years: 1) the

amount of each budget that was spent between 7/1/04 and 12/31/04 and 2) the amount of estimated expenditures for each budget from 1/1/05 through 6/30/05. Other than that, the level of detail that has been provided this year is identical to what is provided at every Annual Budget Hearing. Fran noted that additional detail for each budget is available at the town Hall.

- Maryann Boord complimented the Board of Finance for the many hours they spent developing the budget for FY 2005-2006, and she thanked them for incorporating many recommendations that were made by the Board of Selectmen. Maryann thanked Town Boards, Departments and Commissions for the sacrifices they were willing to make to keep the increase to the 2005-2006 budget to a minimum.
- Donia Viola thanked the Board of Finance for their willingness to listen to everyone's comments. She asked the Board to consider using the grant money for the Wimler Property Development Rights, once it is received, to help reduce the mil rate.

Adjourn

The hearing adjourned at 9:52 PM.

Respectfully submitted,

Alice Tucker

Secretary to the Board of Finance