

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

BOARD OF FINANCE  
APRIL 3, 2006  
ANNUAL BUDGET HEARING  
MINUTES

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The Board of Finance held the Annual Budget Hearing at the Durham Public Library on Monday, April 3, 2006. Chairman Fran Korn called the hearing to order at 8:00 PM.

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

Others Present: Approximately 45 townspeople, town employees, elected officials, and press

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Fran Korn called the Annual Budget Hearing to order at 8:00 PM. Elmer Clark led the assembly in the pledge of allegiance to the flag. Fran reported that the Board of Finance has met 15 times since the beginning of the year to prepare the 2006-2007 budget. He explained that in response to requests from taxpayers for more budget detail, the Board of Finance (B/F) has made every effort to make the budget easier to read and to make expenses more transparent by creating additional line items. New line items have been added for each elected official's salary.

Fran thanked the other members of the B/F, especially Loraine Coe, for their hard work in developing the proposed budget for fiscal year 2006-2007. The goal of the B/F was to develop a budget for 2006-2007 that would be no greater than the current budget, however the budget discussed this evening is approximately \$9,000 over the 2005-2006 budget. 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 \$505,693.

- An increase in the Board of Finance budget (1000) reflects the cost of issuing two Annual Reports (2005 and 2006) during the next fiscal year.
- The Office of the First Selectman's budget (1010) reflects the consolidation of clerical wages formerly split among several departments. This budget also reflects the addition of a full time Finance Director. This new position would report to the First Selectman and serve as the single point of contact for requests for financial information. The Finance Director will be responsible for day-to-day financial matters in Town Hall by providing monthly financial reports, reviewing departmental budgets, assisting with labor negotiations, forecasting state and local revenue, handling the fixed asset inventory, assisting with the bidding process, overseeing payroll, managing Town debts and bonding, identifying and applying for grants, and overseeing insurance and pension matters. A full time Finance Director will provide important continuity when there is a change in administrations. Fran noted that \$75,000 has been budgeted for this position which will be funded in part by not filling an open position in the Highway Department and by phasing out the current part time Finance Director.
- Additional hours for the Tax Collector and the Assistant Tax Collector that had been requested were not approved. The B/F believes that if the bill proposed by the governor

goes into effect and eliminates motor vehicle taxes, the workload in the Tax Collector's office will decrease.

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

- Martin French, Tax Collector, urged the B/F to reconsider its decision not to increase the hours for the Tax Collector and the Assistant Tax Collector. He commented that the office should be open to the public 40 hours per week, the same as other offices in Town Hall. Martin added that the Tax Collector's office is very important because it generates revenue, and taxpayers who need assistance should be able to speak to someone in the Tax Collector's office during the same hours that other Town Hall employees are available.
- Jim McLaughlin commended the B/F for the amount of time, hard work and effort that went into the development of the 2006-2007 budget, adding that the B/F was a great help to him. He said he fully concurs with the recommendation by the B/F to add a full time Finance Director, adding that not having a Town Finance Director is like running a company without a CFO. Jim said he supports having the Tax Collector's office open 40 hours per week rather than 35 hours per week and encouraged the B/F to reconsider its decision.
- Laura Francis remarked that she agrees that the Town should have a full time Finance Director, adding that the Town has learned a great deal from the current part time Finance Director. She questioned whether the salary level that has been budgeted for the position will attract and retain the caliber of person the Town needs. Fran Korn responded that the B/F set the salary at a competitive rate based on what other Towns are paying. He added that the B/F would like to give the Board of Selectmen the opportunity to hire the right person for this position and noted that he has already received two serious inquiries from individuals who may be interested in applying for the position.
- David Montgomery asked if there is a job description for the Finance Director and Fran replied yes, adding that the B/F, through Jim McLaughlin, has been in contact with Middlefield's Finance Director who provided a copy of his job description. Dave said he supports Laura Francis' comments and added that financial continuity when administrations change is critical. Jim McLaughlin noted that he continues to receive additional job descriptions for Town Finance Directors that he had requested from other towns.
- Frank DeFelice pointed out that the Finance Director will be making more money than the First Selectman and questioned if that suggests that the B/F is proposing a move to a Town Manager form of government. Fran Korn replied no, adding that such a change was not even considered.
- John Corona asked if there would be staffing changes as a result of adding a full time Finance Director. Fran responded that we know we will continue to need a bookkeeper, however additional staffing details have not yet been discussed because the B/F and the B/S were waiting to learn the public's reaction to the new position first.
- Rick Parmelee commended and thanked the B/F for its hard work. He said it is obvious that Town expenditures have been well scrutinized. He commented that without individuals who volunteer their time like members of the B/F, the Town would not be able to function. He said he supports the position of a full time Finance Director. He commented that he likes to have access to all elected officials in Town Hall including the Tax Collector. He complimented Laura Francis, Durham's Town Clerk, and asked if the salary level for that position was appropriate because it appears low. Fran Korn responded that the proposed budget includes money for the First Selectman to conduct a study to review the salaries for all Town positions.

#### Professional Services

The total budget for Professional Services is \$529,555.

- The Tax Assessor's budget (1500) reflects the removal of clerical wages that were added to the Office of the First Selectman's budget (1010).

- The Town Counsel Litigation budget (1530) has been combined with the Town Counsel budget (1515), and budget 1530 has been eliminated.
- The increase in the Building and Health Department budget (1520) includes increased funding required for the flu clinic. Funding for the second half of the microfilm project (approximately \$10,000) will be provided upon request when B&H is ready to move forward with the project. \$6,000 has been removed from this budget because Dr. Brad Wilkinson has generously offered to serve as the Town Health Officer for no salary.
- The Finance Department budget (1525) reflects the removal of clerical wages that are now in the Office of the First Selectman's budget (1010). It also reflects a reduction in the wages for the part time Finance Director as the position transitions to a full time Finance Director.
- The Information Technology budget (1565) includes a new line item for all of the Town's computer purchases.

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

- Rick Parmelee inquired about revenue from building permits. Fran Korn explained that revenue from permits is included in line item 695 under Local Revenue on the last page.
- Laura Francis commented that she is pleased money has been set aside in contingency for completion of the microfilm project because it is very important. She reported that her office is in the process of obtaining quotes for a new map copying machine; she will provide a request for this purchase to the B/F before its next meeting scheduled for April 5<sup>th</sup>.

#### Town Commissions

The total budget for Town Commissions is \$105,163.

- The amount approved for Planning and Zoning (budget 2010) reflects the removal of the Assistant Zoning Enforcement Officer's salary that was moved to a new budget (2011).
- The amount approved for the Conservation Commission (budget 2020) does not include money requested to create a calendar that would have been mailed to all Town residents.
- The Charter Revision Commission (budget 2040) has been provided with funding for secretarial services and legal expenses.

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

- Trish Dynia observed that Inland Wetlands (budget 2000) did not request an increase this year however the budget handout shows that an increase was requested. Fran Korn referred to the budget request that had been provided to the B/F and reported that the amount on the budget handout is the amount that was entered into the MUNIS system as the requested amount for this budget.
- Roger Kleeman asked what the consultant from Midstate Regional Planning does for P&Z. Fran responded that he was not familiar with the responsibilities assigned to him by P&Z.

#### General Expenses

The total budget for General Expenses is \$1,032,357.

- Insurance (budget 2520) has increased because there will be an exposure review in FY 2006-2007.
- Insurance Payroll Related (budget 2525) reflects the rising cost of insurance. Fran pointed out that the expense is partially offset by the amount contributed by retirees shown in line item 720 under Local Revenue on the last page of the handout.
- The amount approved for the Tree Warden (budget 2540) includes expenses formerly included in the DPW budget for tree removal. All tree inspection and removal expenses are now in budget 2540.
- A new budget that has not yet been assigned a number was established for Town Hall Furniture. The Town Hall Building Committee received two quotes that were very similar. The amount approved by the B/F reflects the removal of furniture/work stations requested for growth in the event that three additional Town employees were added in the future.

- A new budget that has not yet been assigned a number was established for Town Hall Move/Additional Rent. Although renovations of the Town Hall are scheduled to be completed in the July timeframe, there is some concern about moving staff back to the Town Hall during a busy tax collection period. Two additional months' rent are included in this budget as well as an estimated cost of \$22,000 for the move.

#### Comments and Questions on General Expenses Budgets

- David Montgomery asked if the Elections budget (2500) includes money for new voting machines. Fran responded that it does not include money for new machines, however to date the Town has set aside \$24,000 toward the purchase of new voting machines in the future. Regarding the Heating Fuel budget (2562) Dave asked if the Town has a municipal contract for heating fuel or if each building takes care of its own heating fuel needs. Fran responded that the Town has not done as well as we could have in obtaining the best rate for heating fuel and went on to explain that budget 2562 includes estimated heating fuel expenses for all Town buildings except the firehouse which has an excellent rate for its heating fuel. He added that Jim McLaughlin is working on this. The Town should be on the State contract and we are exploring the possibility of going in with School District 13.
- Carol Kleeman asked how many employees are included in budget 2520-Insurance. Fran responded that it includes 26 employees. Carol questioned the amount Town employees contribute. Jan Muraca explained that Town employees are contributing 7% this year and will contribute 9% next year. Carol noted that a vault was built in the temporary town hall; however there does not appear to be any money in the budget to pay for removal of the vault or to pay for moving computer equipment. Fran responded that it is not yet clear whether we will have to remove the vault and/or whether the temporary partitions that were installed will have to be removed. John Corona confirmed that a decision has not yet been made about the vault. Laura Francis offered that the Town has a portable computer network which makes it very easy to move computers; for the move to the temporary town hall each employee moved their own computer and simply had to plug it in.
- David Montgomery asked who the Tree Wardens are. Fran Korn and Jim McLaughlin replied that Durham has 3 Tree Wardens: Lew Hinman, Ralph Chase, and Terry Keenan.

#### Department of Public Works (DPW)

The total budget for the Department of Public Works is \$1,054,611.

- Fran explained that several large line items that were formerly in the DPW general maintenance budget (3010) have been removed and were given separate budgets so the expenses are more visible and can be tracked more easily. The new budgets are Snow Removal (3011), Catch Basin Cleaning (3012), Chip Sealing (3014), and DPW Contracted Services (3015). Fran went on to explain that he and Jim McLaughlin reviewed expenses for these accounts for the past five years and came up with averages to develop the 2006-2007 budget. Elmer Clark noted that the chip sealing schedule has been increased from a five-year schedule to a six-year schedule to reduce expenses.
- Fran reviewed the three highway drainage projects included in Budget 3500.

#### Public Comments and Questions on Public Works Budgets

- Carol Kleeman asked who maintains street lights and noted that several street lights were not working. Jim McLaughlin reported that CL&P maintains the street lights and explained that it took some time to get the lights repaired because CL&P has two different crews—one to replace bulbs and one to perform electrical repairs, and both crews were involved.
- Rick Parmelee commented that it was commendable that the DPW budget now includes greater detail. He asked if the Town solicits bids for highway projects and Jim McLaughlin responded that we are now getting three quotes for each major purchase. Rick remarked that he would like to see a breakdown of how all money is spent in the DPW so that it is clear how much was spent to build partitions in the temporary town hall, how much was

spent doing work for the water company, etc. Fran responded that he and Jim have discussed this and a breakdown of expenses will be available in future budgets. Maryann Boord reported that DPW staff assisted with work required for the water company when it was first purchased and the Town was in a crisis mode due to our inexperience in operating a water company. As soon as the water company was established, DPW staff was required to report time spent working for the water company so the water company could reimburse the Town for those expenses.

- Roger Kleeman asked if catch basin work was done by the Town's DPW staff or by an outside firm. Following discussion it was determined the work is done by DPW staff using a truck leased from Acorn Truck Leasing.

### **Public Safety**

The total budget for Public Safety is \$486,325.

- Emergency Management (budget 4000) has increased significantly due to the creation of an Emergency Operations Center at the Durham Fairgrounds. It is an excellent facility that is nearing completion. The 2006-2007 budget includes the cost of installing a propane line for emergency power. A grant in the amount of \$4,900 is anticipated for communications equipment, however if the grant money is not received, the B/F will make money available from contingency.
- The Animal Control Officer salary and expenses (budgets 4015 and 4016) used to be in the back portion of the budget, however they are now included under Public Safety.
- The DVAC budget (4030) includes the cost of preventive maintenance on the AEDs.
- Public Safety Records Management (budget 4031) used to be called Ambulance Service billing. This budget reflects the cost of a computer program to be used for the reporting and compilation of data that will assist the Town in obtaining grant money.
- Valley Shore Communications (budget 4040) has increased significantly because State funding that had been anticipated was not received as expected.
- The Resident State Trooper (RST) budget (4055) includes the trooper's salary, coverage for the Durham Fair, private duty wages, coverage for Regional School District 13, and DWI and DUI programs.

### **Public Comments and Questions on Public Safety Budgets**

- Maryann Boord expressed concern that the Animal Control Officer budgets (4015/4016) were not separated out in the back of the budget as they were in previous years. She commented that there was a reason these budgets were displayed separately and suggested the B/F confirm that this was appropriate. Fran responded that before making the change he spoke with Town Auditor Al Rusilowicz who concurred with the change.
- Frank DeFelice expressed disappointment that the RST budget was not separated into several individual budgets so it would be easy to see the amount of his salary, how much was for Durham Fair coverage, etc. Fran provided the amount of each component.
- Jim McLaughlin reported that the stipend for the Burning Official was increased from \$500 to \$1,000 because the stipend had not been increased for several years. Jim added that we are looking into the legality of charging for burning permits to increase revenue.
- David Montgomery asked if the RST would be moving his office to the Town Hall when the renovation is completed. Maryann Boord responded that originally there was a plan to move the RST to the Town Hall, however the space that would be available to him is much smaller than the space he has now. In addition, the Town Hall would not afford the privacy that is needed for meetings and interviews held with the RST.
- Maryann Boord commented that a Committee is looking for a site at which the Town's emergency services can be consolidated. Following a recommendation by the Committee to the B/S the issue will be taken up at a Town Meeting.

- David Montgomery asked if there was money in the 2006-2007 budget for a consolidated emergency services facility. Fran Korn responded that seed money in the amount of \$50,000 has been put into reserves for this purpose.

### **Health and Welfare**

The total budget for Health and Welfare is \$176,998.

- Most of the budgets in this category reflect amounts assessed to the Town of Durham by various agencies based on utilization by Durham residents.
- The Senior Citizens budget (4599) has increased to include funding for additional art classes. In addition, it includes a \$3/hour wage increase for the exercise instructor—from \$35/hour to \$38/hour. Fran noted that a \$10/hour increase had been requested.

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

- Gwen Clark reported that she participates in the Senior Citizens exercise classes on a regular basis. There are approximately 10 participants in each class. The exercises are targeted to the needs of seniors to help them with strength, balance, and posture. Some participants have lost weight. She noted that the classes have been very beneficial to her and to other participants. She explained that the classes are not only beneficial but fun as well, and pointed out that the exercise instructor is well-qualified.
- Lainey Melvin, Chairman of the Senior Citizens Board, reported that the exercise instructor has not had a wage increase in seven years, and the amount requested (\$45/hour) is comparable to what other towns in the area are paying.
- Roger Kleeman asked what services are included in the Senior Citizens budget. Jan Muraca responded that it includes a portion of the salary for the Activities Director (Sherry Hill) as well as wages for instructors for art classes. The budget also includes exercise programs, office supplies and mailing expenses to send out flyers, and secretarial wages for taking meeting minutes. Jan concurred with the comments presented by Gwen Clark and Lainey Melvin that the exercise instructor has indicated that she would no longer be able to run senior exercise classes in Durham if her salary was not increased.
- Mary Ryan asked why the Senior Citizens Board needs a paid secretary. Jan Muraca responded that meeting minutes are needed and the secretary is paid \$52.55 per meeting.
- David Montgomery commented that it appears there is a tie-in with this budget and the Recreation Department budget and requested clarification. Fran Korn explained that Sherry Hill is both the Activity Director for the Senior Citizens and the Director of the Recreation Department. Her salary is split between these two budgets.
- Trish Dynia commented that she has been a paid secretary for several Commissions and Boards, and the work done by secretaries requires a large commitment because it is very time consuming—usually triple the time of the actual meeting. She commented that the secretarial expense for the Senior Citizens is well worth it.
- Roger Kleeman asked what the ridership levels were for the “Dial-a-Ride” bus (budget 4520). Fran Korn provided the ridership levels for the past several years.

### **Durham Public Library**

The total budget for the Library (budget 5005) is \$420,490.

- Fran explained that the Library budget includes salaries, electricity, maintenance, books, videos, periodicals, equipment repair and maintenance, and other operating expenses.

### **Recreation Department**

The total budget for the Recreation Department (budget 5505) is \$101,811.

- Fran Korn reported that the only change proposed for this budget is for wages.

### **Public Comments and Questions on the Library and Recreation Department Budgets**

- Laura Francis commented that it is helpful to see the budget detail that was provided for DPW and questioned why that level of detail was not provided for the Library budget and

the Recreation Department Budget. Fran Korn responded that the B/F hopes to continue to provide additional budget detail in the future and will consider adding more detail to these two budgets.

- Carol Kleeman remarked that she would like to see more detail for the Recreation Department budget, including the Director's salary, student salaries, program costs, and revenue. Carol added that she would also like to see more detail for the Library budget, including revenue. Fran responded that these budgets can be broken down in the future. He provided wages budgeted for the Library and Recreation Department Director and staff.
- Martin French asked if there were any capital plans for the Library. Fran responded that \$25,000 has been set aside in Reserves to remove an underground oil tank at the Library.
- Maryann Boord commented that the amount approved for the Library budget by the B/F is not the same amount that was approved by the B/S. Elmer Clark explained that the original amount requested by the Library did not include wage increases resulting from the last union contract so the original request had to be adjusted.
- David Montgomery questioned the expense for a water line for the Library. He asked if the Library gets billed by the Water Company. Maryann Boord responded that the Library is billed by the Water Company and noted that the Town Hall also gets billed by the Water Company.

### **Miscellaneous Accounts**

The total budget for Miscellaneous accounts is \$99,003

- Fran Korn reported that the amount budgeted for Contingency (budget 6020) has been reduced because the B/F does not anticipate needing as much money from Contingency as last year.

### **Reserve Funds**

The total budget for Reserve Funds (budget 6520) is \$277,000.

- The total amount to be put into Reserves in FY 2006-2007 is \$337,000. The B/F proposes using \$60,000 of interest revenue to offset this amount, leaving a balance of \$277,000.
- Fran pointed out that the Town has a \$2,000,000 fund balance and \$277,000 of this amount will be applied to the 2006-2007 budget.
- Reserve amounts include:
  - \$150,000 for Fire Company toward future purchase of a new fire truck
  - \$50,000 for an Emergency Services Facility
  - \$25,000 for a Senior Citizens Center
  - \$25,000 for Fire Co. Trustees for driveway work and other building repair
  - \$25,000 for removal of the underground oil tank(s) at the Library
  - \$5,000 for additional playground equipment for Allyn Brook Park
  - \$5,000 for the Durham Cemetery Company for repair of old headstones
  - \$10,000 for the DVAC toward future purchase of a new ambulance
  - \$12,000 for the DVFC for replacement of Scott Air Packs
  - \$25,000 for Town Building Maintenance
  - \$5,000 for the Conservation Commission for appraisal fees

### **Public Comments and Questions on Reserve Funds**

- John Corona asked why \$5,000 was being placed in reserves for the Cemetery Company. Fran explained that it is an amount funded by the Town each year, matched by the Cemetery Company, to repair some of the old headstones. John asked how much money the Durham Cemetery Company currently has, and Fran responded that he believes they have approximately one million dollars.

### **Debt Service**

The total budget for Debt Service is \$375,550.

- Fran reported that the amount for Debt Service (budget 7000) reflects the last bond payment for money the Town had borrowed to purchase open space. Following this payment, scheduled for October 2006, the Town will be debt free.

### **Environmental Services**

The total budget for Environmental Services is \$379,731.

- Fran Korn reported that DMIAAB (budget 7500) is the largest budget in this category, and their budget has decreased slightly.
- A new budget that has not yet been assigned a number was created to monitor the oil spill on the Town Hall property. The estimate is based on a projection by the DEP.

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

- Martin French commented that it would be helpful to have more expense detail available for the larger budgets such as DMIAAB.
- Fran Korn provided line item detail for expenses included in the DMIAAB budget including wages in the amount of \$170,000.
- In response to a comment regarding the desire by the public to be able to see more detail for the larger budgets, including DMIAAB, Fran Korn responded that the B/F and the B/S continue to work toward that goal, however it has been difficult in some cases for the B/F and the B/S to obtain the cooperation needed at Town Hall. Fran commented that providing additional detail in the budget will continue to be an evolutionary process and more detail will be provided in the future.
- Rick Parmelee said he appreciated the additional detail that is now available in the budget and remarked that responses to requests for budget details at this Annual Budget Hearing are more forthcoming than at the Regional School District 13 Annual Budget Hearing.
- Chet Raczka, Chairman of the Board of Education, remarked that he would be happy to sit down with anyone who asks to go over the details of the School Budget.
- Roger Kleeman asked how long the oil spill monitoring will be needed on the Town Hall property. Fran Korn responded that it is not known at this time, however there are some indications that the estimate provided by the DEP may be somewhat high.

### **Local and State Revenue**

The total amount of Local Revenue anticipated for 2006-2007 is \$1,061,886. The total amount of State Revenue anticipated for 2006-2007 excluding Educational Cost Sharing (ECS) is \$425,127 for a total of \$1,487,013 in anticipated Local and State Revenue excluding ECS.

### **Total Net Town Budget for 2006-2007**

The total Net Town Budget for FY 2006-2007 is \$4,057,274. This compares to the current Net Town Budget of \$4,048,683.

### **General Comments**

- Trish Dynia commented that it would be helpful to see actual expenditures for prior years for each budget rather than approved amounts. Fran Korn responded that the B/F would like to do that as soon as the account structure has stabilized.
- Frank DeFelice asked what the difficulty has been in obtaining cooperation at the Town Hall to make changes in the budget structure. Fran Korn responded that he would prefer not to discuss the matter at this time.
- David Montgomery commented that between the Board of Finance and the Board of Selectmen the proposed budget is the most significant improvement in this town that he has seen in many years. Dave congratulated both Boards on a job well done.
- Laura Francis offered that it is important to note that there is a difference between the level of budget detail provided to the B/F and the level of detail included in the presentation document that is used at Public Hearings. Laura explained that all budgets include line item detail for all expenditures, however the presentation document provides a summary of

those expenses. Fran Korn agreed and repeated the commitment by the Board of Finance to provide additional budget detail in the future.

- Renee Primus asked if there was any way that a proposed overall mil rate could be estimated for the 2006-2007 fiscal year even though individual amounts will vary based on the recent property revaluation. Elmer Clark responded yes, that if the new Grand List (GL) following revaluation had been in effect when the 2005-2006 mil rate was set, the mil rate would have been 41.0 mils rather than 38.0 mils for the current (2005-2006) fiscal year. Elmer added that 1 mil represented \$432,000 of the GL last year and 1 mil will represent \$732,000 of the GL for the 2006-2007 fiscal year. Fran Korn noted that the impact of the proposed budget on taxpayers will vary based on individual results of the recent property revaluation.
- Jim McLaughlin commented that it is important to note that overall the tax burden for the Town's portion of the budget is staying roughly the same.
- Maryann Boord congratulated the B/F for their hard work. She added that she agreed with several comments that were made requesting that additional budgets be broken down in greater detail. She described the work on the 2006-2007 budget as a heroic effort.
- Fran Korn thanked everyone for attending tonight's Public Hearing and thanked them for their comments and input.

### **Adjournment**

The Annual Budget Hearing adjourned at 9:45 PM.

Respectfully submitted,

*Alice Tucker*

Alice Tucker

Secretary to the Board of Finance