

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

BOARD OF FINANCE

SEPTEMBER 4, 2007  
Revised MINUTES

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**Members Present:** Fran Korn, Loraine Coe, Jay Berardino, Rosemarie Naples, Rob DeSimone, Elmer Clark.

**Others Present:** Maryjane Malavasi, Martin French, Charles Corley (*Town Times*).

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**1) Call to Order**

The Board of Finance met at the Durham Town Hall on Tuesday, September 4, 2007. Chairman Fran Korn called the meeting to order at 7:30 p.m.

**2) Minutes**

**MOTION BY ROSEMARIE NAPLES, SECONDED BY LORAIN COE, TO APPROVE THE MINUTES OF AUGUST 7, 2007 AS PRESENTED. KORN, COE, BERARDINO, AND NAPLES VOTED AYE. DESIMONE ABSTAINED. MOTION CARRIED.**

**3) Invoices None.**

**4) Correspondence**

The Board was invited by the Selectmen to attend a public hearing on September 10, 2007 to hear the report of the Emergency Services Facilities Committee.

**5) Suspense List**

**MOTION BY ROSEMARIE NAPLES, SECONDED BY LORAIN COE, TO APPROVE THE 2007 SUSPENSE LIST IN THE AMOUNT OF \$29,179.95, AS PRESENTED. MOTION PASSED UNANIMOUSLY.**

**6) Senior Tax Relief Ordinances**

Martin French was in attendance to answer questions pertaining to the two proposed ordinances.

Mr. Berardino questioned how the income levels presented compare to other towns. Mr. French replied that “median income” is used in several other towns. The committee looked at a lot of different programs, and the ones presented closely model the ones in place in Guilford.

Mr. Korn asked if the Board of Selectmen was looking for the Board of Finance’s review or for a motion. Mr. French said that approval to move forward was requested because of the financial impact of the ordinances.

**MOTION MADE BY ROB DESIMONE, SECONDED BY LORAIN COE, TO RECOMMEND THE BOARD OF SELECTMEN TAKE TO TOWN MEETING THE APPROVAL OF THE DURHAM SENIOR TAX DEFERRAL PROGRAM ORDINANCE AND THE DURHAM SENIOR TAX RELIEF PROGRAM ORDINANCE.**

*Elmer Clark joined the meeting during this discussion.*

Mr. Berardino asked if the wording of the ordinance came from CCM. Mr. French replied that CCM’s sample and ones from other towns were used during the committee’s deliberations.

Regarding the cap, Mr. French felt confident that we would hit it at some time. That is why the ordinances call for a yearly review by the Board of Finance.

Mr. Berardino asked if seniors had to choose between the two. He was told yes. He then asked Mr. French to explain the difference between the two ordinances. He explained that the Tax Relief ordinance is a freeze. The year that a senior qualifies for the program, their taxes will be frozen at that amount. This program has a cap that shall not exceed ½ of one percent of the previous year’s total budget, and the town will not recoup this lost revenue. The Tax Deferral ordinance allows the senior not to pay taxes on their real property until the property changes hands. There is no cap and the money will be returned to the town, with interest, at the time of the property change. A lien is placed on the property.

Ms. Coe asked if the town of Guilford has records based on years of residency. Mr. French did not recall if they did.

Mr. Berardino was concerned that if a senior were to choose the deferral plan, that the amount deferred plus interest could be more than they could afford at the time of property transfer.

In response to questions, Mr. French replied that his office would handle the bookkeeping, there is no title search required in the ordinance, the “exemptions” are not taxable to the senior through a 1099, and that the repayment would be an issue between the borrower and lender.

At this point in the meeting, Mr. Korn stated that the board would be recessing the meeting to attend the town meeting, and then briefly reviewed the town meeting items that were requested by this board. After the town meeting, the board reconvened its meeting.

Dr. DeSimone asked if the committee was proposing borrowing for the difference not collected through the deferral program. Mr. French stated that would be one option. Otherwise the board could account for the loss through revenue from other taxpayers or other sources. Mr. Korn stated that it would depend on how many people participate. The Board of Finance would need to determine how to cover the loss during the budget process.

Ms. Naples stated that she did not like the deferral program. Mr. French noted that the committee felt this could be a lifeline for someone who just cannot afford to pay their taxes. Mr. Korn stated that it was a way for a homeowner to use their largest asset to cover the expense of the taxes.

Mr. Berardino asked if a demographic study had been done to anticipate the effect on revenue 10-30 years down the road. Mr. French said that they looked at the population of residents currently in the 55-65 age group only.

Dr. DeSimone stated that he likes the cap on the tax relief program, but is scared with the possible short-term financial liability of the deferral program.

The board did not vote on their motion this evening, but requested that the Chairman of the Senior Tax Relief Committee be invited to the next meeting for more discussion.

## 7) **Annual Reports**

Ms. Malavasi reported that the 2006 Annual Report is ready for printing except for a picture of Bob Hall, to whom the report is dedicated.

The board chose to dedicate the 2007 Annual Report to Roger Newton, and to have a picture of the completed town hall on the cover.

## 8) **Finance Director Report**

- a) Ms. Malavasi reported that the contaminated material found during the construction of the new fire company driveway will need to be properly managed per DEP regulations. There will be a need for funding and she will keep them updated on the issue.
- b) Ms. Malavasi brought forward a request from Ellen Mauro that funds currently allocated for the MUNIS software be spent on new document management software. The proposal from Point Software allows the town to use the system free of charge for 45 days before committing to the package. We would not own the software; all of our data would be stored at their facility. It would be a minimal cost in comparison to current cost, somewhere between \$8 - \$162 per month on an on-going basis if we decide to continue after the 45 days. A scanner, estimated at \$3,000 would also need to be purchased. The Town Clerk has indicated that the scanner could be used in other applications as well.

Mr. Korn stated that looking at it at face value it looked good. He felt that the issue was not cost, but what would be needed in the future. Would additional staff or overtime be requested to input past years? How do we ensure that the program will be used? Who will use it? What is the plan for inputting previous year's information?

Ms. Malavasi stated that she would speak to Ellen Mauro about his concerns.

Mr. Berardino said that there may be some possible savings if the public could be able to look up this information on the web instead of needing to come into the building.

- c) Scott Wright sent an email explaining that the pagers used by the Fire and EMS volunteers are failing. It was noted that he had requested funding for a yearly replacement plan through the budget which was not specifically funded. It was the consensus of the board to purchase 5 pagers, to request information on the total amount of pagers expected to need replacement, and to add this item to the next agenda.
- d) Ms. Malavasi stated that the insurance claim for the items damaged during the lightning strike has been approved but we do not know at this time for how much. Scott Wright

would like to begin purchasing the items that are on the list. It was the consensus of the board to move forward and to add this item to the next agenda.

- e) Harry Hall sent an email explaining that the fire department is experiencing problems with the Hurst tool, and it became a serious issue at a recent accident. He would like to purchase a new one at a cost of \$4,993 and some additional equipment for approximately \$2,700. It was the consensus of the board to move forward with the purchase of the Hurst tool and to add this item to the next agenda.
- f) Ms. Malavasi reported that the bid for a water tanker for the fire department is out. The fire department will be requesting a transfer from reserve when they have their final numbers.

**9) Request for Transfer from Reserve Funds – Demutualization**

Ms. Malavasi noted that the Board of Selectmen made a motion in August 2006 to approve disbursements to the union members eligible for demutualization funds placed in reserve. The request did not get passed on to the Board of Finance at that time.

**MOTION MADE BY LORAIN COE, SECONDED BY ROB DESIMONE, TO REQUEST THE BOARD OF SELECTMEN CALL A TOWN MEETING TO APPROVE A TRANSFER IN THE AMOUNT OF \$1,195 FROM THE RESERVE – DEMUTUALIZATION FUND TO 2525-596 DEMUTUALIZATION PAYOUT. MOTION PASSED UNANIMOUSLY.**

**10) Connecticut Fair Plan Grant Appropriation**

**MOTION MADE BY ROB DESIMONE, SECONDED BY ROSEMARIE NAPLES, TO TRANSFER \$467 FROM 6020 CONTINGENCY TO 4035 FIRE MARSHAL FOR GRANT FUNDS RECEIVED FROM THE ARSON TIP AWARD COMMITTEE OF THE CONNECTICUT FAIR PLAN. MOTION PASSED UNANIMOUSLY.**

**11) Elected Official 2008 Salaries**

Mr. Korn stated that after the board made its recommendation for non-elected non-union salary adjustments he received two emails questioning why elected officials had not been granted the 3% standard pay increase for 2008. He noted that the Board of Selectmen had made no recommendation pertaining to elected officials. He recommended approving the 3% now and taking up any additional increases after the election.

Ms. Naples stated that in the past elected official were granted a set amount and accepted that amount if they chose to run.

Mr. Berardino, Ms. Coe and Dr. DeSimone did not have a problem with the request.

**MOTION MADE BY LORAIN COE, SECONDED BY ROB DESIMONE, TO APPROVE 3% INCREASES FOR ELECTED OFFICIALS AS OF JULY 1, 2007; AND TO APPROVE A TRANSFER FROM 6020 CONTINGENCY TOTALING \$4,883 TO THE FOLLOWING ACCOUNTS: \$1,799 TO 1011 FIRST SELECTMAN, \$163 TO 1012 SELECTMEN, \$1,332 TO 1021 TAX COLLECTOR, \$1,354 TO 1031 TOWN CLERK; AND \$235 TO 1041 TREASURER. KORN, COE, DESIMONE, BERARDINO AND NAPLES VOTED AYE. CLARK ABSTAINED. MOTION CARRIED.**

**12) Any other business that comes before the Board                      None.**

**13) Adjournment**

The next meeting of the board will be the regular meeting in October.

The meeting adjourned at 9:40 p.m.

Respectfully submitted,

Maryjane Malavasi