

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

BOARD OF FINANCE

DECEMBER 21, 2005

MINUTES

The Board of Finance met at the Durham Public Library on Wednesday, December 21, 2005. Chairman Fran Korn called the meeting to order at 7:30 p.m.

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

Others Present: Rett Mancinelli, Kurt Bober, Charles Corley (*Town Times*)

1. Minutes

MOTION BY ELMER CLARK, SECONDED BY ROB DESIMONE TO APPROVE THE MINUTES OF DECEMBER 7, 2005 AS PRESENTED. MOTION PASSED UNANIMOUSLY.

2. Correspondence

The following correspondence was reviewed:

- Monthly Financial Report from the Town Clerk's Office through end of November 2005.

3. Invoices

There were no invoices for the Board's consideration or approval.

4. Status of 2005 Annual Report

Fran Korn reported that the First Selectwoman and the Town Clerk have provided their reports for 2004-2005. It was noted that the Grand List for October 1, 2005 has not yet been provided to the Board of Finance as requested. Loraine Coe offered to check with the Assessor's Office to determine the status. Fran asked Board members to start thinking about a theme and a dedication for the 2005 Annual Report for discussion at the next meeting.

5. 2006 Budget Review Schedule

Members reviewed a draft budget review schedule. There was unanimous agreement that a budget hearing appointment should be added for the Recreation Department.

MOTION BY LORAIN COE, SECONDED BY ROSEMARIE NAPLES TO APPROVE THE BUDGET REVIEW SCHEDULE AS AMENDED. MOTION PASSED UNANIMOUSLY.

The regular Board of Finance meeting schedule for 2006 and the budget review schedule for 2006 are attached to these minutes.

6. Laptop Computer

Rett Mancinelli provided a laptop computer to the Board of Finance in response to the Board's request. Rett explained that the laptop has been set up with Virtual Private Network (VPN) capability that will allow B/F members to access MUNIS. Rett provided a user name and password to Jay Berardino. Rett explained that user names and passwords will be provided to other B/F members at a future meeting when there is enough time on the agenda for Rett to explain log-in procedures with members of the Board.

7. Budget Reviews

The Board reviewed a year-to-date budget report for FY 2005-2006 as of December 15, 2005. There was a lengthy discussion regarding which expenses should be displayed as separate line items in the future to allow increased visibility of department expenses and to improve budget oversight.

Rosemarie Naples agreed with a suggestion by Fran Korn that salaries for all Town Hall staff excluding elected officials should be displayed in a single report but added that it is equally important to have salaries reported within each department's budget so people can see and understand what the total costs are for each department. Elmer Clark suggested that rather than changing the display of the budget that the Board of Finance prepares for the annual budget hearing, perhaps separate reports could be created to summarize expenses such as salaries for elected officials, salaries for Town Hall staff, consultant expenses, etc.

Kurt Bober said that he was in attendance at tonight's meeting to talk to the Board of Finance about the budget overruns for the Department of Public Works in 2004-2005 to try to help fix the problem. Fran Korn responded that the DPW budget overrun of more than \$260,000 for FY 2004-2005 was unacceptable and cannot be fixed now that we are in the 2005-2006 fiscal year. Fran reviewed the DPW line items that were overspent including tree work that was more than \$12,000 over budget, catch basin parts that were more than \$22,000 over budget, bituminous concrete that was more than \$27,000 over budget, asphalt that was more than \$11,000 over budget, and several other line items including a capital equipment purchase for more than \$27,000 that was not an approved capital expense and charged to an improper line item.

A heated discussion followed. Kurt argued that every year the Board of Finance approves new capital equipment for the Fire Company and DMIAAB but they do not approve essential new equipment for the DPW. Fran countered that that was not an accurate statement and asked Kurt if as the director of the Department of Public Works he thought that the overexpenditure of \$260,000 for the 2004-2005 DPW budget reflected good management of the department. Kurt responded that he agreed it does not. Fran told Kurt that he did not follow the proper procedure as Director of DPW when he failed to come to the B/F when he knew he was going to be significantly over budget for a number of line items. Fran continued that it was Kurt's responsibility to come before the B/F to inform the Board about the overages, to explain the reason that he was over budget in each case, and to request money to cover the expenditures. Kurt maintained that he was never asked to come before the B/F and argued that while he knew he was spending more than the amount approved for his budget no one ever said anything to him about it so he assumed it was okay. Kurt further argued that the B/F has always said that as long as the bottom line of a department's budget is not overexpended then departments do not need to worry about individual line items. Fran countered that it was clear that Kurt was not concerned about his budget's individual line items or his budget's total bottom line because he knowingly overspent the DPW budget by more than a quarter of a million dollars which is completely unacceptable. Following the exchange Kurt stated that it was obvious that the B/F did not want to accept his offer to help fix the problem and left the meeting.

The Board returned to its discussion of line items that should be displayed separately in the future for improved budget oversight. Rett Mancinelli explained that B/F members now have the ability to produce reports out of MUNIS that will display expenses by department and/or by line item without changing the set up of the General Ledger. For example, a report can be provided that lists salary information for all Town Hall staff by department and includes a grand total that sums those expenses. Similar reports could be provided for all office supplies, all consultant costs, all telephone costs, etc. Rett added that if the B/F would like to revise the way the GL is set up it would cost approximately \$4,000 to have MUNIS staff perform that work.

Discussion continued regarding the auditor's recommendation that the Town implement a purchase order system. Members agreed with a recommendation by Rob DeSimone that the PO system should include authorized approval levels based on monetary thresholds. Jay Berardino remarked that it is clear that measures need to be taken to establish stronger oversight of the Town budget. Fran noted that while the Charter requires the Board of Finance to develop the annual budget it is the responsibility of the Office of First Selectman to administer the budget.

In response to a question about the status of the 2006-2007 budget Rett Mancinelli reported that MUNIS budget sheets and letters to all Departments, Boards, and Commissions asking them to submit their 2006-2007 budget requests have not been distributed by the First Selectman's Office. He added that he does not know at this time when they will be distributed. Fran Korn expressed concern about the timing of receipt of budget requests for FY 2006-2007 because budget reviews begin on February 8th.

8. Adjournment

The meeting adjourned at 9:10 p.m. The next regular meeting is scheduled for Wednesday, January 4, 2006 at 7:30 p.m. Fran Korn will invite Jim McLaughlin and Al Rusilowicz to the next meeting.

Respectfully submitted,

Alice Tucker

Alice Tucker

Secretary to the Board of Finance

Attachments:

Board of Finance Regular Meeting Schedule for 2006

Board of Finance Budget Review Schedule for 2006

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Board of Finance
Meeting Schedule for 2006

During the months of **January, February, March, April and May** the Board of Finance will hold its regular meetings twice a month on the first and third Wednesdays of the month. During the months of **June, July, August, September, October, and November** the Board of Finance will hold one regular meeting per month on the third Wednesday of the month. During the month of **December** the Board of Finance will hold one regular meeting on the first Wednesday of the month. All regular meetings will be held at 7:30 PM in the Durham Public Library except where noted.

January	4	May	3
January	18	May	17
February	1	* June	21
February	15	July	19
March	1	August	16
March	15	September	20
April	5	October	18
April	19	November	15
		December	6

* June meeting will be held at the Durham Fair Association House.

Budget hearings and budget workshops will be held as follows with meetings beginning at 7:00 PM. All budget hearings and workshops will be held at the Durham Public Library.

Wednesday, February 8 th	Wednesday, March 1 st
Wednesday, February 15 th	Wednesday, March 8 th
Wednesday, February 22 nd	Wednesday, March 15 th
	Wednesday, March 22 nd

Annual Budget Hearing – Monday, April 3, 2006, Durham Public Library

Annual Budget Meeting – Monday, May 7, 2006, Coginchaug Regional High School

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BUDGET REVIEW SCHEDULE FOR 2006-2007 DURHAM TOWN BUDGET**ALL MEETINGS HELD AT THE DURHAM PUBLIC LIBRARY**

			BUDGET
** Wednesday, February 8 th	7:00 PM	Tax Collector	1020
	7:15	Conservation Commission	2020
	7:30	Elections	2500
	7:45	Town Clerk	1030
	8:00	Library	5005
* Wednesday, February 15 th	7:00 PM	Assessor	1500
	7:15	Finance Department	1525
	7:30	Information Technology	1565
	7:45	Durham Volunteer Ambulance Corps	4030
	8:00	Recreation Department	5505
** Wednesday, February 22 nd	7:00 PM	Fire Company	4020
	7:15	Fire Company Trustees	4025
	7:30	Board of Selectmen & Personnel Policy	Various
	7:45	B/S Highways and Projects	Various
* Wednesday, March 1 st	7:00 PM	Treasurer/Dog Fund	1040
	7:15	Building, Health & Engineering	1520
	7:30	DMIAAB	7500
	7:45	Planning & Zoning	2010
	8:00	Human Services	Various

Budget Workshops:

** Wednesday, March 8 th	7:00 PM
* Wednesday, March 15 th	7:00 PM
** Wednesday, March 22 nd	7:00 PM

* Regular Meeting

** Special Meeting

ANNUAL BUDGET HEARING: April 3, 2006 8:00 PM Durham Public LibraryANNUAL BUDGET MEETING: May 7, 2006 8:00 PM CRHS Auditorium*Each Board/Commission is urged to stay within the allotted time for budget presentations*