

Town of Durham
CHARTER REVISION COMMISSION

Regular Meeting
Minutes
May 8, 2006

1. Call to Order

The Charter Revision Commission (CRC) met at the Temporary Town Hall located at 350 Main Street on Monday, May 8, 2006. Chairman McLaughlin called the meeting to order at 6:30 p.m.

Members Present: Laura Francis, Martin French, Carol Kleeman, Mark McLaughlin, Pat Murawski, Ron Melnik, John Corona.

2. Public Comments. No public present.

3. Review of minutes. No minutes to review.

4. Report on Subcommittee Research. No additional reports.

5. Discuss/Decide Charter Revision Items

Section 5.5 Treasurer. Discussion continued from last meeting as to whether the language in this section should remain unchanged. Won't know until after the Annual Budget Meeting if there will be a Finance Director. Commission members still undecided as to whether both a Finance Director and Treasurer are needed. The belief is that a lot of the duties Wendy performs should be done by staff. The treasurer should be more of an oversight position. John stated the treasurer positions seems to be a catchall position either because staff won't or can't do the functions.

Motion by Martin, seconded by Laura Francis to maintain wording in Section 5.5 Treasurer as it currently appears in the charter. Ayes: Martin French. Nays: John Corona, Laura Francis, Carol Kleeman, Mark McLaughlin, Ron Melnik, Pat Murawski. Motion failed.

Discussion continued. John stated everything that Wendy does he believes a qualified finance director and capable bookkeeper can do. CGS 7-80 provides very powerful wording for duties of treasurer. Differing opinions regarding sunset clause, transition period, keeping the treasurer until the finance director has been assimilated into the financial processes of the town, etc. As it currently stands the treasurer is responsible for receiving all money and keeping record thereof for the town, should the charter reflect the shift of this responsibility over to the Board of Selectmen?

Pat asked should the charter speak to Sarbanes Oxley (Effective in 2004, requiring all public companies to submit an annual assessment of the effectiveness of their internal financial auditing controls to the SEC. Additionally, each company's external auditors are required to audit and report on the internal control reports of management, in addition to the company's financial statements. See attached information on Sarbanes Oxley).

Chairman McLaughlin will ask the selectmen to have town counsel rule on the possibility of including a sunset clause in the charter. Laura mentioned the commission needs this answer as soon as possible.

Town of Durham
CHARTER REVISION COMMISSION

Ron stated that Farmington has removed the treasurer position. Laura asked Ron to find out the procedure that town used in eliminating this position. John suggested counsel be asked about language to transfer responsibilities to the Board of Selectmen so there is no gap. Laura was curious as to what towns don't have a treasurers.

Number of Selectmen

Laura called towns about the number of selectmen. Three selectmen works well and the towns that have five selectmen also work well, however, they still have the same partisanship problems as three member boards. Several towns have part-time selectmen. In these towns it is beneficial to have more selectmen in order to spread the workload. The towns with five selectmen had no problems getting candidates, in fact, 100% of these towns had a full slate.

Motion by Martin French, seconded by John Corona that the Board of Selectmen remain at three (3) members. Motion passed unanimously.

John reported that Geoff Colegrove will get wording to the CRC regarding road acceptance by the end of the week.

Section 6.22 Land Use Boards

Motion by Carol Kleeman, seconded by Ron Melnik to renumber Section 6.22 Other Town Officials to Section 6.23 Other Town Officials and make Section 6.22 Land Use Boards Commissions. Motion passed unanimously.

Motion by Laura Francis, seconded by Ron Melnik to add new section and comment as follows:

Section 6.22 Land-Use Boards and Commissions: No member of the land-use boards and commissions, Planning & Zoning Commission, Zoning Board of Appeals, Conservation Commission, Historic District Commission, and Inland-Wetlands Commission, may be a member simultaneously of more than one such board or commission.

Comment: The CRC believes that such stipulation (building as it does from existing language in Section 6-5) appropriately limits the power and diversifies perspective of the membership of commissions and boards.

Motion passed unanimously.

Section 6.10 Fire Marshal.

Discussion about the fire marshal position. Commission members showed surprise at the wording in the state statutes, which ultimately gives this position a lifetime status. Preference shall be given to members of the town fire company as long as the candidates are qualified to be fire marshals. There is nothing to prevent the Board of Selectmen seeking advice from the fire department relative to a fire marshal appointment; however, this shouldn't be required by the charter.

Motion by John Corona, seconded by Ron Melnik to approve Section 6.10 Fire Marshal as amended to read as follows: The Board of Selectmen shall appoint a fire marshal and such deputies as may be necessary all in accordance with Connecticut General Statutes. Motion passed unanimously.

6. **Other Items as Appropriate.** None.

Town of Durham
CHARTER REVISION COMMISSION

7. Prepare for Next Meeting.

Suggestion made to review the timeline at the next meeting.

- 8. Adjourn.** Chairman McLaughlin adjourned the meeting at 7:35 p.m. so members could proceed to the Annual Budget Meeting.

Respectfully submitted,

*Kimberly D. Garvis
Recording Secretary*

Sarbanes Oxley Summary

The Sarbanes-Oxley Act of 2002, sponsored by US Senator Paul Sarbanes and US Representative Michael Oxley, represents the biggest change to federal securities laws in a long time. It came as a result of the large corporate financial scandals involving Enron, WorldCom, Global Crossing and Arthur Andersen. Effective in 2006, *all* publicly-traded companies are required to submit an annual report of the effectiveness of their internal accounting controls to the SEC.

Provisions of the Sarbanes Oxley Act (SOX) detail criminal and civil penalties for noncompliance, certification of internal auditing, and increased financial disclosure. It affects public U.S. companies and non-U.S. companies with a U.S. presence. SOX is all about *corporate governance* and financial disclosure.

Thousands of companies face the task of ensuring their accounting operations are in compliance with the Sarbanes Oxley Act. Auditing departments typically first have a comprehensive external audit by a Sarbanes-Oxley compliance specialist performed to identify areas of risk. Next, specialized software is installed that provides the "electronic paper trails" necessary to ensure Sarbanes-Oxley compliance.

The summary highlights of the most important Sarbanes-Oxley sections for compliance are listed below. Note that certification and specific public actions are now required by companies to remain in SOX compliance.

SOX Section 302 - Corporate Responsibility for Financial Reports

- a) CEO and CFO must review all financial reports.
- b) Financial report does not contain any misrepresentations.
- c) Information in the financial report is "fairly presented".
- d) CEO and CFO are responsible for the internal accounting controls.
- e) CEO and CFO must report any deficiencies in internal accounting controls, or any fraud involving the management of the audit committee.
- f) CEO and CFO must indicate any material changes in internal accounting controls.

SOX Section 404: Management Assessment of Internal Controls

All annual financial reports must include an Internal Control Report stating that management is responsible for an "adequate" internal control structure, and an assessment by management of the effectiveness of the control structure. Any shortcomings in these controls must also be reported. In addition, registered external auditors must attest to the accuracy of the company management's assertion that internal accounting controls are in place, operational and effective.

SOX Section 409 - Real Time Issuer Disclosures

Companies are required to disclose on a almost real-time basis information concerning material changes in its financial condition or operations.

SOX Section 902 - Attempts & Conspiracies to Commit Fraud Offenses

It is a crime for any person to corruptly alter, destroy, mutilate, or conceal any document with the intent to impair the object's integrity or availability for use in an official proceeding.