

DRAFT

**DURHAM TOWN COUNCIL
MONDAY, DECEMBER 8, 2003
DURHAM TOWN HALL -- COUNCIL CHAMBERS
7:00 PM**

MEMBERS PRESENT: Chair Malcolm Sandberg, Arthur Grant; John Kraus, Patricia Samuels, Mark Morong; Neil Niman, Katie Paine, Peter Smith and Annemarie Harris

MEMBERS ABSENT: None

OTHERS PRESENT: Town Administrator Todd Selig, Business Manager Paul Beaudoin, Deputy Police Chief Rene Kelly and other interested members of the public

I. Call to Order

Chair Sandberg explained that the Council was holding a special meeting to discuss the Operating Budget. He also noted there was an additional item on the Agenda: "Acceptance of a Conservation Easement on the Dunn Property".

II. Approval of Agenda

Councilor Paine MOVED to approve the agenda. The motion was SECONDED by Councilor Kraus and PASSED unanimously.

III. Accept the Donation of a Conservation Easement on the Dunn Property Located at 35 Bagdad Road

Administrator Selig introduced Duane Hyde, Vice Chair of the Conservation Commission and member of the Land Conservation Working Group (LCWG).

Mr. Hyde explained that Mrs. Dunn had contacted the Conservation Commission Chair during the Bond process last year, having heard about land conservation efforts in Durham. He said that after going through various options, she decided to donate a conservation easement on the property to the Town. He said the LCWG agreed that the project made sense, and drafted the easement some months back.

He explained that the family had recently reported they had a buyer for the property who had agreed to the draft terms of the easement, and the closing date was postponed until the Conservation Commission could approve the easement. Mr. Hyde noted the Commission had endorsed the proposal in November and recommended that the Council accept it as well.

He said the 3.3 acre property was located in a small wooded area abutting the High School close to the Middle School property, and also near the Stolworthy Wildlife Sanctuary, and was relatively large for that part of town. He noted that the easement agreement, which included the house on the lot, was fairly basic, and explained that Mrs. Dunn did not want the property further subdivided and developed. He explained that the easement would be enforced by the Town and said it would make sense to have the easement in the Town's lot file, so it would be quickly known that this property, which had significant development potential, was not available.

Councilor Smith clarified that the easement would permit a single accessory apartment, which would have to be within the primary dwelling, unit, and could not be a detached dwelling. He asked if that meant that other detached accessory uses would not be permitted, and Mr. Hyde said that was correct.

There was discussion about the exact location of the property. Mr. Hyde noted that there was recently a boundary line adjustment done with the abutting property owner. He also clarified, in answer to a question from Councilor Samuels, that this property had trails that were used by students, Scouts, and people in the neighborhood, and provided a good alternative to walking on the road.

Chair Sandberg asked if the Town's legal counsel had reviewed the language in the easement. Administrator Selig replied that the Town's attorney had reviewed the language and found it to be satisfactory. There was discussion about some of the wording of the easement. Mr. Hyde explained that the words: "...the benefits of this Conservation Easement are in gross and assignable" meant that the easement could be separated from the land and transferred to other parties.

Chair Sandberg asked if the eased square footage was clearly defined, and if the entire property was included in the easement. Mr. Hyde answered yes to both questions.

In closing, Mr. Hyde commented that it was refreshing to see that there had been a number of landowners who were willing to come forward with donations even though the Bond had made funding for land conservation available.

Chair Sandberg and Mr. Hyde discussed when the Working Group would be coming before the Council with a policy for adoption, and it was determined that they would be on the agenda for January 15, 2004.

Councilor Smith MOVED to accept the donation of a conservation easement on the Dunn property, located at 35 Bagdad Road, as described in the presentation. The motion was SECONDED by Councilor Kraus and PASSED unanimously.

Chair Sandberg thanked the Dunn family, and said the Town would try to be a good steward of the property. He also thanked the Land Conservation Working Group for its efforts.

IV. Discussion on the proposed 2004 Operating budget and 2004-2013 Capital

Improvement Program

Chair Sandberg explained that there had been a number of sessions on the Operating Budget and CIP, and it was now time for Council members to make some decisions. He proposed to call for a motion to approve the Operating Budget as presented, and said that if the motion was seconded, Council members should then start working through their key subjects, and recommend proposed amendments to the Budget. He noted that some Councilors had had the opportunity to submit Items for discussion by email, and these Items had been summarized in a handout.

Councilor Kraus MOVED to approve the Operating Budget. The motion was SECONDED by Councilor Paine.

Councilor Kraus provided a global discussion on Town expenditures, and showed graphs, as he had done the previous year, which showed updated Budget information.

1. Councilor Kraus explained that the first graph showed the Town budget was relatively flat until 1996, but since 1996 had increased at about a 45-degree angle and the current budget continued that line upward. He also said this represented a 27% increase since 2000. He also discussed numbers from the graph, in table format, which showed two years of exceptional increases in spending, 1997 and 2001. He also noted the average increase from 1997 to 2004 was 6.86%, where between 1990-1996 it was less than 1%. He said this was something to think about, although it was not clear what was happening.
2. Councilor Kraus explained that the second graph presented the Town tax rate changes since 1990, compared to County and School/State tax rates. He then contrasted the steeply increasing Town expenditures, with an actual decrease in the Town's proportion of the total tax rate, as compared to the increasing proportion of especially the School/State tax rate, but also the County tax rate.
3. He showed a third graph which demonstrated no particular correlation between increases in enrollment at the University with increases in Town budgets.
4. Councilor Kraus showed a fourth graph that demonstrated overtime costs in the Police, Fire and Public Works departments. He noted that Fire overtime had decreased since the high point in the 2002 budget, Public Works overtime costs had dropped off somewhat, and Police department overtime was running fairly constant.

Chair Sandberg asked what that graph would look like if a CPI of about 3%, compounded over time, was used. Councilor Niman said he did some calculations, using 4%, from 1994-2004, and then compared this with the proposed budget. He said that looking at Police, Fire and Town Hall there was an increase of \$250,000 per category over and above what would have happened if expenditures had increased at a steady 4%.

Councilor Kraus clarified for people at home that the table on which the various graphs and calculations were based included all of the personnel costs, overtime, full-time, and part-time, while his graph only included the overtime wages. It was clarified that Councilor Niman was looking at full-time personnel costs.

Councilor Niman asked if anyone could explain what had happened over this period of time, and said it represented more than simply the increases in health benefits.

Chair Sandberg noted Administrator Selig had not worked for the Town during that entire period of time, but perhaps had some insights about the trend line.

Administrator Selig said that looking back ten years, it was a time that was somewhat less litigious, when citizens demanded less in terms of services, and less was generally expected in terms of what would be provided by the Town. He said a number of changes had been made over the past 10 years because of increased demand for services, he move from a 4 to 5 person shift, added fire prevention inspectors, added police personnel, the move from a part-time to a full-time Code Enforcement Officer; and fairly drastic pay increases for department heads 3 years ago because the salaries had not been competitive enough.

Administrator Selig explained that Public Works demand for services had been fairly constant over this time, so demand increases had been accommodated, not with personnel additions but by adding additional capacity to existing systems and purchasing new equipment. He said that 3-4 positions had been eliminated in this department in the past 3 years, and also noted that an added secretarial position that had previously been added in Town Hall was going to be eliminated.

Councilor Paine asked why costs had gone up for Town Hall even though the secretarial position had been dropped. Paul Beaudoin said he needed to check, but believed this money represented contingency funds for raises, and contracts not yet approved for non-affiliated employees.

Councilor Kraus said the two double digit numbers for 1997 and 2001 representing exceptional increases in spending might represent the result of holding the line so tightly that there was pent up demand for services, somewhat like recovering from a famine. But he noted the Town did not want to be having too large a feast at the taxpayers' expense.

Councilor Smith asked to what extent the figures of the General Fund Budget were influenced by taking money out of the fund balance.

Administrator Selig said these figures would not have translated directly into a pass through on the tax rate, but would have been offset somewhat by the use of fund balance overtime.

Councilor Kraus noted he had a graph that hadn't been updated for this year which showed this financial information contrasted with the tax rates, and showed these rates going up and down over this period of time.

Councilor Samuels asked what created the need for overtime wages for the Fire Department.

Administrator Selig explained that there were four categories in which overtime kicked in: training, which then required that other personnel be brought in to cover for those being trained (or overtime could go directly to those being trained), special event details, for example at the Whittemore Center, which were reimbursed by the person requesting the detail; emergency callbacks, meetings and some committee work; and shift coverage, when someone was out sick, on military leave, etc. He said especially last year and this year, there had been some very specific reasons for some of the overtime – injuries to staff, and staff on military leave.

Councilor Samuels asked if she could see percentages for each of those four categories. Administrator Selig gave the costs for the past few years, not the percentages, and noted that clearly the largest expense was in the shift coverage category.

Councilor Samuels asked if the shift coverage figure were reasonable. Administrator Selig said that the Town had made a commitment as a community to have five-person shifts, with four Firefighters and a Captain. He said that when someone was on vacation, sick, etc., during nights and weekends, if they could find another person to fill, they did so. He said it had cost \$169,000 in overtime this year to do that, but noted that the figures were somewhat misleading because some of the costs could be compensated, for example, for staff on military leave. He explained that that person was compensated by the Federal government while on military leave, so the Town didn't spend money on straight pay, but instead covered the vacancy through either overtime or other adjusting of the schedule. He said that each of those kinds of vacancies was frequently covered during the work week by administrative staff, and also noted that there had been occasions where there had not been the five-person staff on nights and weekends.

Fire Chief Ron O'Keefe said this had only happened one or two times, and clarified that the \$169,000 in overtime was for all coverage, not just to keep the five-person shift. He noted it cost about \$55,000 in overtime to keep that 5th person on when there was a vacancy on nights, weekends and holidays.

Chair Sandberg asked if when firefighters were on extra special duty that was charged at the overtime rate. Chief O'Keefe said it was, and also said that depending on the event, they also charged a 25% administrative fee.

Councilor Smith asked what the differential from the current rate structure would be, if the policy reverted from a five-person to a four-person shift, and took into consideration overtime costs that would therefore be needed. Administrator Selig said they would likely reduce their force by four employees, laying off one firefighter for each shift (those with the least seniority), which would leave them with three firefighters and a captain at each

shift. He said there would still be overtime costs in having four staff. He noted that the reason they had viewed the amount of money being spent on overtime as acceptable was that it was more cost effective than hiring more people. He said an average employee costs \$55,000, including benefits, so 4 employees would be about \$220,000, and also noted the Town paid about 54% of the cost to the department. He said this had been looked at the previous year, and the estimated savings to the Town would be about \$119,000.

Councilor Kraus said the minutes from the previous year indicated there had been a fruitful discussion on this issue, and he noted there was some commentary about securing additional funding for the Fire Department, including a comment from Mr. Selig that the Town had been billing UNH for work done on various projects. He asked if and when the Town billed for these kinds of things and that money came into the budget, did it in any way reduce the overtime expenditure. Administrator Selig said when this had been talked about the previous year, they had started to track the time the Fire Marshall and inspector were spending reviewing plans at UNH. He noted that in their agreement with the University, the Town could bill them for time over a certain threshold, and had started to do that. But he explained that with special details, they tracked the expenditure in the personnel expenditure portion of the budget and the revenues in another part, so the revenues were not washing out additional funds being spent.

Councilor Kraus said there could therefore be increases in overtime that were being offset by moneys coming somewhere else in the budget, so it could be a slightly deceptive picture of expenses.

Administrator Selig said another aspect of this was that they tried to look for grant funding, which resulted in almost \$60,000 of funds for equipment.

Councilor Niman noted he had no expertise in fire services, but asked if the goal was really to have five people at the fire, but not necessarily five people on the shift at the fire house.

Administrator Selig said the key was getting sufficient manpower to the fire or accident as quickly as possible, and a five- person shift made this possible, allowing for safe interior type work, and greatly expedited the ability of the department to assist at accident scenes. He said the five-person shift also allowed the Fire Department to provide more effective assistance to the Durham Ambulance Corps, because there had been more simultaneous emergencies.

Councilor Niman said he wasn't questioning the need for a five-person shift but suggested there might be an alternative model to provide the same level of service at a significantly lower cost. He suggested the idea of having paid, well-trained on-call people in various parts of Town, instead of a five-person shift.

Administrator Selig said that if these on-call people needed to have pagers at all times, they would therefore have to be on the clock, and would possibly require reimbursement

for that time. He also noted this would mean relying on employees with different amounts of training and expertise, which could be a problem for the regular staff.

Chair Sandberg said he wasn't trying to discourage "out of the box ideas" but noted it was important to keep focused on the task at hand. He said the question Council members needed to keep in mind was whether to amend the budget for these and other Items.

Councilor Grant said he supported the 5 person shift but needed to know what that meant. Chief O'Keefe said it meant four firefighters and one captain. He also noted that back in the late 1990's, when the Fire department had a 4 person staff, that overtime costs were also fairly high in order to keep that shift fully staffed.

Councilor Grant suggested the possibility of hiring one to two staff as fill-ins, who would only come to work when they were needed to fill out the shift. He said the money being used for overtime pay could be used to pay two people. Chief O'Keefe said he would be willing to entertain this and other ideas. He also noted the importance of looking at Durham's 54% of the total number.

Chair Sandberg summarized that there were concerns about the figures that had been presented, although they might very well represent the most cost-effective use of resources. He said Council members should continue to think of creative ways to minimize the impact, not the least of which was negotiation of agreements with others.

Councilor Kraus discussed Items in the Budget he was especially interested in. He noted that two of them - personnel costs for training and overtime, and the five-person shift, had been addressed in the previous fruitful discussion. He said another Item had to do with fireworks, and clarified that his point regarding the fireworks was to illustrate the importance of not making sudden decisions about budget items.

Councilor Niman commented on Items of special importance to him. He said he was unhappy with the amount of money being spent on public safety, which was not the same thing as saying he thought the Town should spend less. He said it was simply unreasonable to expect the property tax payers to pay as much as they were being asked to pay.

He said one way of solving the problem was perhaps to look for additional revenue, and if they couldn't find these revenues, they should begin to look at how police and fire dollars were being spent. He suggested it would be worthwhile to bring in some outside experts to evaluate the situation. He said the numbers were significantly high to warrant this evaluation and creative input, and noted that the conversation on CIP that looked at the drawing down of the fund balance made the need for this especially clear.

Chair Sandberg noted that even with increased revenues, the expenditure line would still go up. Councilor Niman said that was correct, and they instead should look at the net line.

Councilor Niman said he had a few specific questions regarding the Fire Department. He asked why money the Town of Durham spent on fire training and prevention was nearly equally to the total amount that Newmarket spent for all its fire services. He also asked about the proposed Code Enforcement Office position, and suggested that if that person was in charge of rental properties, he could also perform fire inspections on the rental properties. He said this person could also free up some of the time of the Code Administrator, who could then also do fire inspections. He said if the money being spent on fire prevention could be consolidated into those two positions, they could save \$80,000, and asked if this was a possibility.

Councilor Niman also noted that the Town spent a lot on training but had very unhappy firefighters. He said it might be better to spend money directly on employee salaries which would perhaps do as much or more to improve their performance than training and equipment. He said he was in no way being critical of the present performance of employees. He also said the cost of the Communications Center had risen by \$100,000 in the last five years, and asked why this had happened and if anything could be done about it.

Administrator Selig noted that that Newmarket had a volunteer Fire Department. He explained that staff was able to stay current with the training provided but could use a great deal more, considering the challenges they faced. He also said that the Fire Department had proposed the idea of adding the code enforcement person to its department but it had been his perspective that this would take that person away from addressing the code/zoning issues presently being raised in the community.

Administrator Selig pointed out that in upcoming negotiations with the University, they were planning on illustrating that a lot of the fire prevention bureau's time was being spent on University projects, and was an excellent argument for having the University compensate the Town more fully for that aspect. Finally, Administrator Selig acknowledged that happy employees were more productive employees, and currently Fire Department employees were very unhappy, because they were frustrated there had been no contract for two years. He said both sides needed to take some responsibility for the absence of a contract, noting that the focus had been on pay and benefit issues, and that the situation would still exist if the Town went to a four-person shift.

Concerning the Communications/Dispatch Center, Administrator Selig said the electronics had been re-vamped over the last two years. He also explained that dispatching services were shared with the University, with the Town paying 40% of the cost.

Chief Kurz said dispatch services included 24-hour service to the Town for Police, Fire, Ambulance and Public Works, and also explained that after 5:00 PM, calls to the Durham Police Department were answered by the Dispatch Center at the University. He said a decision was made by the policy committee to have two instead of one dispatcher around the clock because of the number of calls coming in. He said in addition to this, the Town of Lee had decided to leave the Dispatch Center, which had spread some additional administrative costs to the Town... He acknowledged that it might be time to review

service calls, but noted that in paying 40% of the cost for these services, the Town was getting a lot of service for the expense involved.

Councilor Smith noted the budget figures concerning the Communications/Dispatch Center and it was clarified that there had been an approximately \$7,000 increase from 2003 to 2004. There was also discussion about the percentage of calls to the Dispatch Center from Durham. Administrator Selig said that more than 50% of calls came from Durham, but the Town was only paying 40% of the cost.

Councilor Samuels said that when Administrator Selig said Durham was a Town that needed five firefighters, additional training, and a fire prevention center, she heard that as saying that the University presence required this. She said this needed to be looked at.

Administrator Selig said he didn't think it was fair to use \$177,000 as a starting point and then say everything above that was because of the University. He said he had talked to the Newmarket administrator recently, and learned that the Town was very satisfied with its volunteer department. But he noted there were other factors that contributed to this, such as whether the culture of the community lent itself to volunteer participation in the Fire Department. He noted there were communities like Newmarket where a lot of the volunteer firefighters lived and worked in the Town, so were available to respond quickly. He said citizens had to be willing to wait a little longer for firefighters to arrive.

Administrator Selig also clarified that the Town had chosen to have a five-person shift, but didn't have to have one, and also said the Town could choose not to have a fire prevention bureau. He said the Town had made choices over time that had resulted in a certain level of manpower, and there were costs that came with maintaining that level.

He said UNH presently paid 46% of the fire budget, and he believed they should pay more. He noted the Council had agreed to the current formula utilized to allocate funding a number of years ago, but the burden of the Fire Department had shifted over time, to the Town away from the University. Administrator Selig explained that this was largely because, after entering into the current agreement based on a three-year rolling average of origin by call, the University invested a great deal of money in revamping the alarm systems for its buildings, especially residence halls, so it wouldn't have as many false alarms. He said their alarm frequency had therefore decreased substantially over time, and the burden had then shifted to the Town. He said the ratio seemed to have stabilized at 54%/46%, which was not fair, and would be negotiated.

He said different ways to address this were being considered, including looking at assessed property values instead of calls for service, because everything was based on property taxes in New Hampshire. He said the current system pitted the Town against the University, and was actually an incentive for the Fire Department not to respond, because it cost money. He said looking at the respective assessed values of the University and the Town and basing the allocation on that made more sense, and if looked at that way, the ratio would be closer to 2/3 to 1/3, similar to the ratio for water and sewer.

He said there were certain pieces of equipment and services the Town provided that appeared to be of more benefit to the University than the Town, noting that fire prevention was one of these services, and would be a major focus of negotiations. He also noted that the ladder truck was something the Town would not have if not for the University, and was used to reach high buildings. He said it had turned out that the truck wasn't needed that much on campus and so was available to fight fires off campus. He also noted the tanker truck usage was being tracked, and was used more for the Town because the University was on the hydrant system.

Councilor Smith said he was certain Councilor Samuels would agree the situation was not as simple as saying UNH was in Town, but it was also not as simple as saying the citizens of the Town had come to demand a certain kind of service. He said that with the clear need for the kinds of fire safety services needed by the University, a system and a standard for service came to exist, and became accepted by the citizens of Durham. He said it was not fair to say therefore that the citizens had now come to demand that kind of system, and also said it was very important to get to the bottom of this issue.

Councilor Harris said she agreed, and also noted that the unhappiness of the fire department staff also was related to issues of administrative oversight and control within the community, based on the sharing of the fire department by the Town and the University.

Councilor Grant provided specific comments about the Operating Budget. He said his overall assessment of the Budget was generally very favorable, but said he was disturbed about the increase in Town spending by \$700,000 in the coming year. He said he didn't have any solutions for it, but said the previous discussion on public safety costs was appropriate, noting those increased costs were half of the Town's budget for the coming year. He said he supported the five-person fire shift, and said they should remember that much of the training budget was for firefighters and police getting initial training, and that employee turnover added to those expenses.

He said he remembered a number of letters from townspeople and people passing through Durham commending the departments for their professionalism and prompt response, and said he also suspected residents enjoyed better insurance rates on their property because of the standard of service the Town had.

Councilor Grant MOVED to add 5,000 in funding for the construction of a Veterans memorial at the Town Landing.

He said he found it troubling that there was still no memorial, and said this location would be excellent.

Councilor Grant also said the Town needed a mechanism to increase Planning Board application fees modestly, to offset the cost of additional Planning Board legal advice in 2004. He said the increased expense for planning operations was primarily for legal issues that were anticipated from applications submitted under the new ordinance. He said it was difficult for citizens to serve on boards without benefit of legal guidance,

when so many of the applicants coming in now were represented by attorneys. He also noted some of the applications were actually being made by attorneys.

Chair Sandberg asked if Administrator Selig would be addressing updating of application of fees, as well as other fees.

Administrator Selig said a year ago they had surveyed what other towns were charging for building permits, and found what was being charged in Durham was in line with this. He noted that the area that needed significant focus was impact fees. He also told Council members that he had been reviewing fees in the various departments, and brought forward changes for Public Works, transportation, the Fire Department, and parking. He said there were plans to update the master price sheet, and include all the fees on there.

Councilor Grant said the Town needed to make a commitment to move on impact fees, at least in terms of school construction. He noted other towns had separate impact fees for different sectors, and said it seemed the Town could move quickly to adopt a school impact construction fee.

Councilor Smith asked if the Council had the authority to adopt and implement an impact fee relating exclusively to schools. Administrator Selig said the listing of recommendations concerning the budget included \$4,500 for a consultant to look at these types of issues.

Councilor Harris said it would be helpful to review the study done a year ago and look at whether communities where it was decided impact fees were appropriate with regard to the planning board were also communities that were likely to have litigation or presentations by lawyers on a regular basis. She noted this was relatively new for Durham.

Councilor Grant spoke about the issue of reaching an agreement with the firefighters union, and said he brought it up because he would like to see all Town departments happy and understood the lack of a contract caused disagreement no matter where the responsibility lay. His final point concerned the idea of waiting on funding for the additional code enforcement employee until there was a better handle on what would be happening with the landlord registry proposal. He suggested the budget could be augmented in May or June if and when that became a reality.

Councilor Smith noted there was no tax consequences resulting from this position, as long as an adequate amount was budgeted for licensing, so he didn't see why there was need to delay putting it in the budget.

Chair Sandberg asked if there were other key issues Councilors would like to address.

Chair Sandberg noted that some Council members had not received the email asking for their input, and asked if there were key issues these Councilors would like to address.

Councilor Samuels said Councilor Grant's suggestion concerning the veteran's memorial should be looked at in the coming year, although she felt it was not appropriate to do so that evening. She also spoke about police expenses in the budget, and said that a lot of the policing in Durham, and the costs associated with this, were required because of University students. She noted that the Town was compensated for expenses incurred because of the student riots, and also acknowledged that the Town got tax revenues from the fraternity houses and apartments that house students. But she pointed out that these properties required more policing. She said that the Council should seriously look at the expected policing costs for a Town of Durham's size, how the present costs were impacted by the presence of the University, whether the two police forces should be combined, and what other choices the Town had.

Councilor Harris noted Councilor Samuels wasn't on the Council when a study was done the previous year that looked at combining the police departments, and determined that a combined police force reduced the personnel needed by about a third. She said it was an interesting study, and one the Council would be looking at further in the future. She also raised the issue of receiving compensation for the many calls that police and fire got for accidents on State roads, Routes 4 and 108. She said there were significant costs associated with this, and it was not fair that the revenues went to the State.

Chair Sandberg noted that Bill Hall had raised the issue sometime back of reworking the present agreement concerning whether a call coming into the Dispatch Center was tallied as a UNH call or a Town call. He said Mr. Hall had proposed a neutral territory, which would mean that a traffic accident, occurring in the public way, would be handled 50/50. Chair Sandberg wondered if this would require a re-negotiation, but said it seemed in principal to be a good idea to explore. He said it was not clear it would be a net gain or loss to one side or the other.

Councilor Paine explained that she heartily endorsed Councilor Grant's proposal concerning the veterans memorial, but the reason she didn't support his motion was anticipation of the upcoming broader waterfront development discussion regarding Town Landing. She said the veterans' memorial idea should be part of that broader discussion.

Councilor Morong said he was encouraged by the progress being made in talks with the Oyster River School District. He also said he did not get the sense that there was much, in terms of services, that the citizens in Durham were ready to give up. He noted that Council discussions for the past few months had looked at how to make Durham's share of paying for services fairer, whether in relation to the School district, the University or the State. He said this was a good track to continue on, and hopefully would eventually help the taxpayers, and wouldn't require them to give up services they wanted and needed.

Councilor Smith spoke about several issues. He first asked if it would be possible to separate out calls to the Dispatch Center into those coming from University vs. non-University people, in order to develop a fuller picture of the impact of the University on services.

Councilor Harris said she believed the Police Department did separate this out, but said she did not think that the Fire and Ambulance departments did so, although she had asked repeatedly for this information. Administrator Selig said that was correct, the Fire and Ambulance departments responded at an ambulance scene, and only tracked where the accident occurred. He said the Ambulance Corps had indicated that it was very complicated to try to track this in any other way. Councilor Harris suggested that there was still a better way of tracking than was done at present.

Councilor Paine said a follow-up survey could be done relatively easily in order to get the kind of information Councilors Smith and Harris were looking for.

Councilor Smith referred to page 52 of the Library budget, which he noted had increased by \$5,000. He asked if the Town knew whether the voluntary contributions exceeded the \$35,000 match, and if so, by how much. Mr. Beaudoin said they did exceed the \$35,000 in the second quarter, but did not submit additional requests and backup information.

Chair Sandberg asked if, when the Library submitted a request for matching funds, it did so in response to cash, or estimated value of a donation. Mr. Beaudoin said it did so in response to cash.

Councilor Smith said his point concerning the Library budget was to encourage more aggressive fundraising by the Library trustees, if there were ever to be a new library. He noted a new lease had been signed, which cost \$51,000/ year for rent, and said it was time for the Council to create stronger incentives for the trustees to raise additional private money. He suggested that instead of matching dollar for dollar up to \$35,000, the match could be one Town dollar for every two dollars raised privately up to \$35,000. He said that depending on how much in the way of voluntary contributions he found that the trustees were already receiving, he might increase the ratio, although not by so much that it would discourage, instead of encourage, contributions.

Chair Sandberg asked how a change in the ratio would be accomplished, and Administrator Selig said the Library/Town match had simply been interpreted as being dollar for dollar.

Councilor Smith said the present match stemmed from an explicit resolution passed by the Council a number of years back. He noted that perhaps Chair Sandberg was suggesting the change in ratio should be done outside the budget process, but said he wanted to raise the issue then because he didn't want to mislead people. He also said he would at least like to get some sense from Council members as to whether this would be worthwhile to do.

Councilor Samuels said she would prefer to look at the issue as a resolution after the budget process. She also noted that \$51,000 for a lease expense seemed outrageous, and would be better spent toward a mortgage payment on a library building. She said the Council needed to look at what it could do to help the Library committee find a location for the building.

Councilor Paine reminded Council members that the Committee requested a meeting with the Council last spring, and it chose not to meet with them. She said there should not be any further discussion on this issue until the Council has met with the Library Trustees.

Councilor Kraus said he thought it would be very important before starting these discussions to carefully review the history of the breakaway with the University, and the statements made at that time that this would not cost the taxpayers of Durham any additional money. He said it was correct that \$50,000 would make a good mortgage payment, but he believed there had been some clear commitments that this would not involve additional funding, and he would want to have that history before the Council moved in that direction.

Councilor Smith said they were now paying \$60,000, which was in fact almost double what the Council had said was the most that would be given.

Chair Sandberg said approximately \$46,000 was the original commitment, and inflation had to be taken into account.

Councilor Smith said he was not defending the judgment made back then, which in his view was in violation of the State Library law. He said to the extent that the Board of Trustees had requested a meeting that the Council had refused to give, that was not his understanding, and to the extent he was incorrect, he would hope it would be immediately corrected.

Councilor Niman said he found it bizarre that there was so much discussion on the importance of Police and Fire Department services and expenses, and yet there was doubt about the amount being spent toward the Library, when it was one of the services the citizens of Durham were demanding.

Chair Sandberg noted there had been no motion to amend the budget concerning the library.

Councilor Smith reminded the Council that there was substantial history concerning this issue, and that it was important to be familiar with this before discussing it further. He also said there was no one who had supported this library more than he did, and he was very distressed that so many years had gone by, and the Town was still renting space for the library.

Administrator Selig said the Library trustees had requested a meeting with the Council, and over time, a number of opportunities for this had come up, but for various reasons, it had not happened. He said this was no one's fault. He also said he was frustrated that historically there were people in Durham who advocated splitting the library away from the UNH Diamond Library, and who had promised that it would not cost the Town any more money to do this. He said regardless of previous statements on this, it was absurd to think the Town could have its own library and not incur additional costs than what was

experienced as part of the Diamond Library. He said now that the Town had its own library, it needed to accept the costs associated with this. He said the library staff were doing the best they could with limited resources, and noted much of the money from their fundraising went toward operations, not a new building. He also said that before the funding formula was changed, there should be a meeting with the trustees about this.

Councilor Smith next discussed the General Assistance-Public Welfare budget figures on page 65.

Mr. Beaudoin explained that the increase in spending over the budgeted amount for 2003 was because of a few catastrophic cases. He noted that relative to other communities, this was not very much. He explained that he put \$2500 into the budget because no matter what figure was used, State law said the Town had to provide the money that was actually needed in a given year.

Councilor Smith referred to page 69, and asked about the budget figures concerning GIS development. He also asked what lay ahead for the GIS project, and how big this budget Item would get before completing the basic work.

Administrator Selig said the Town could easily spend a few hundred thousand dollars on this, but was not going to do so. He deferred to Mike Lynch to provide more specifics.

Mr. Lynch said the Town had spent \$16,000-17,000 to date on GIS, and was just scratching the surface. He noted a spring flyover had been done, and said they would also be doing a summer flyover. He explained that multiple layers could be included as part of the GIS system.

Councilor Smith said that was what prompted his question, and said that like all wonderful new technologies, there had to be limits, especially in terms of the benefits versus the costs. He said there had been little discussion on this within the Council, so he didn't have a feel for what was a reasonable amount of taxpayer money to be spending, and what the plan was.

Administrator Selig said this would be an excellent topic for Council discussion, and suggested the Town Planner and Engineer could explain the GIS plan that had been developed.

Councilor Smith noted that page 76 contained an item for a consultant to research grandfathered units for three unrelated people, and asked how much time would be needed for such a project. Administrator Selig said a large part (about \$10,000) of the budgeted \$15,000 for this was for the consultant to continue assisting with the zoning rewrite process, and \$5,000 was for research on grandfathered units.

Councilor Smith said he didn't have problem with this, if most of the money would be going for the consultant to complete the zoning rewrite process, but he did have a problem with devoting a substantial amount of money to the three unrelated people issue,

which he described as a dated concept. He noted that this issue could dramatically change if the landlord licensing ordinance was adopted.

Councilor Smith spoke about the \$20,000 budgeted for Primary VIP Protection, and said it seemed like a lot of money for work related to the New Hampshire primary. Police Chief Kurz explained that the Primary brought a lot of attention to the State, and especially to Durham because of UNH, pointing out that a national debate of Democratic candidates would be held on December 8. He said this was a situation where there would be reimbursement, but explained that when Presidential security for non-political visits was needed, there was no reimbursement for this, and was a significant challenge and expense. He said that the calculations concerning expected spending on this Item were an educated guess but said that wherever there was an opportunity to recoup costs, his department would do so.

Councilor Kraus questioned what happened if the Town decided it would not be providing protection services for a visit by the President or Vice President to UNH.

Councilor Smith next noted he had reviewed the Town's legal bills this year, and suggested that it might be a good idea to look at whether the Town saved money or lost money by not having a full-time staff attorney. He then commented on the budget cut referred to on page 90 and asked Chief Kurz if based on this cut, there would be adequate funding for communications. Chief Kurz said he would make it happen.

Councilor Smith said the expense on page 94 for newspaper subscriptions seemed high, and Chief Kurz said they could look at this, noting there were some advertising costs related to these budget figures.

Councilor Smith asked if the funding for in-house maintenance was paid as a separate salary item, and Fire Chief Kelly explained that there was someone specifically on staff to repair equipment.

Chair Sandberg said he had three items to discuss. He noted the first was the pump house at Town Landing. He said he had talked with a member of the Durham Historical Association who was aghast that the Town was planning to spend \$28,000 to repair the building. Chair Sandberg said he was inclined to remove this item until more research had been done, and entertained a motion to reduce the budgeted amount, to allow for minor repairs to the building.

Councilor Smith MOVED to amend the budget line concerning the pump house from \$28,000 to \$100. The motion was SECONDED by Councilor Paine.

Councilor Kraus observed that this decision seemed too rushed, and said he would prefer this Item be part of a list of Items Council members voted on at the beginning of the next meeting.

Councilor Smith moved to postpone consideration of the previous motion to amend the budget line concerning the pump house from \$28,000 to \$100 until the next Council session. Councilor Paine SECONDED the motion, and it PASSED unanimously.

Chair Sandberg said the veterans' memorial idea should move forward, and said he would like to see a line in the budget for it, regardless of the amount, so the staff knew that there should be a monument to acknowledge Durham's veterans.

Councilor Kraus MOVED to put a line in the budget for \$100.00 for the purpose of establishing a veterans' memorial. Council Grant SECONDED the motion.

Councilor Kraus MOVED to postpone discussion on this Item until the next session. The motion was SECONDED by Councilor Harris, and PASSED unanimously.

Chair Sandberg said the third item he wished to discuss was the projections on page 2 of the General Fund Fiscal Forecast. He noted he had raised this Item at a previous meeting, and said it was in the Town's best interest to maintain the fund balance at around \$1.5 million dollars. He said the Town was currently on the wrong side of the curve, and were presently headed toward a 0 fund balance by 2007.

Councilor Morong MOVED to adjust the use of the fund balance number such that the unreserved fund balance would equal approximately \$1.5 million. The motion was SECONDED by Councilor Kraus.

Councilor Kraus moved to postpone discussion on this Item until the next session. The motion was SECONDED by Councilor Morong.

Councilor Morong said he would like Mr. Beaudoin for information on how raising the fund balance figure would change the tax figures.

Councilor Samuels had to leave the meeting at this point.

The motion PASSED unanimously.

Councilor Kraus moved to postpone deliberations on the Operating Budget until the next meeting. The motion was SECONDED by Councilor Paine and PASSED unanimously.

Chair Sandberg entertained a motion to extend the meeting for 40 minutes to allow discussion on the CIP. There was no motion. He noted that Councilors would need to be ready to address key Items in the CIP at the next meeting.

There was a brief discussion on funding for the skateboard park.

Councilor Kraus MOVED to adjourn the meeting. The motion was SECONDED by Councilor Paine. The motion PASSED unanimously.

IV. Adjourn

The meeting ADJOURNED at 10:10 PM.

Victoria Parmele, Minutes taker