

This set of minutes was approved at the December 19, 2005, Town Council meeting.

**DURHAM TOWN COUNCIL MINUTES – BUDGET WORK SESSION
MONDAY, NOVEMBER 14, 2005
DURHAM TOWN HALL – COUNCIL CHAMBERS
7:00 PM**

MEMBERS PRESENT: Chair Malcolm Sandberg; Peter Smith; John Kraus; Mark Morong; Neil Niman; Gerald Needell; Karl Van Asselt; Julian Smith; Diana Carroll

MEMBERS ABSENT: None

OTHERS PRESENT: Todd Selig, Town Administrator; Paul Beaudoin, Business Manager

I. Approval of Agenda

Chair Sandberg called the meeting to order at 7:00 PM.

Chair Sandberg said this was an extra Town Council meeting, and would include a public hearing on the Budget and CIP.

Councilor Needell MOVED to approve the Agenda. The motion was SECONDED by Councilor Julian Smith, and PASSED unanimously 9-0.

II. Unanimous Consent

Councilor Needell MOVED to approve the Unanimous Consent Item. The motion was SECONDED by Councilor Morong, and PASSED unanimously 9-0.

III. PUBLIC HEARING on Proposed FY 2006 Operating Budgets and 2006-2015 Capital Improvement Plan

Administrator Selig made introductory comments on the two documents. He said the public hearing was required before the Council could approve the Budget, also noting that it couldn't be acted on until 14 days after the hearing was held.

He said the budget of \$9,799,490 for 2006 represented an increase of approximately \$438,785, or a 4.68% increase over fiscal year 2005. He said this would increase the local portion of the tax rate from \$6.28 to \$6.59 per thousand dollars of assessed valuation, an increase of \$0.31, or 4.8%. He also said the water fund budget would increase by 4%, and said there would be a 2.49% increase in sewer user fees. He said the Budget took into account Consumer Price Index figures.

Administrator Selig said the CIP outlined major purchases of \$20,000 or more, with a lifespan of more than five years. He said he had received a lot of input on possible projects from the Planning Board and various boards and committees, and said this was reflected in the recommendations in the CIP.

Chair Sandberg outlined the process for reviewing, amending, and approving the Budget, noting that if the Council could not reach a decision on the Budget by December 31st, the Budget as proposed by the Town Administrator would automatically become the operating budget for 2006.

Councilor Kraus MOVED to open the public hearing. Councilor Carroll SECONDED the motion, and it PASSED unanimously 9-0.

Scott Hovey, 41 Canney Road, asked for an overview of the proposed 2006 Budget, noting that some people had not seen the document. He said this was important so people could ask intelligent questions.

Chair Sandberg said copies of these documents had been provided at the end of the Council table for members of the public, and also asked Administrator Selig to give a brief outline of what he had said on the Budget and CIP at the previous Council meeting.

Administrator Selig provided details on proposed expenditures in the FY 2006 Budget (See November 7th Town Council Minutes for details on this).

He said it was important to keep in mind that the FY 2006 Budget did not reflect the impact of the \$2.5 million land protection bond approved by the voters of Durham in March of 2003. He provided details on this. He also said the Budget did not reflect the new proposed Library. He said this would have a very real impact on the tax rate.

He provided details on staffing levels for the various departments, noting where there was level staffing and where there was a decrease or an increase in staffing levels. He said the goal had been to allocate funds to meet challenges and to see how departments could be more efficient in addressing these challenges. He also pointed out that many of the taxes that residents paid went to the School District and the County. He said this did not mean that the Town shouldn't be cautious in what was spent locally, but said they couldn't balance the total tax burden on the back of the local tax portion because this would impair the Town from doing the things he believed the citizens wanted.

Administrator Selig said this was a conservative budget, and that he had tried to show, through the fiscal forecast, the impacts of different choices over time. He said given projected spending trends, the Town could more or less count on a 5% increase in spending per year. He noted that this year the cost of fuel was having a major impact on spending.

He said assuming this spending rate stayed constant moving forward, the challenge was whether this should be allowed to grow, and if so, should the Town absorb the total amount of that increase without using fund balance. He said an alternative to this was to use some of the fund balance, or to increase revenues, which the Town had tried to do. He noted that

revenues had increased 6.2% and provided details on this, but were such a small component of the Budget when compared to the overall expenditure increase that the expenditures quickly ate up the increase in revenues.

Administrator Selig discussed current sources of revenues for the Town, and noted there had been talk about charging for having Town departments provide various services for residents. He said he had mixed feelings about this idea, but said there was a balance that needed to be found.

He said if the Council tried to limit the increase in the tax rate to no more than 3% a year, the projection was that by 2008-2009, it would run out of fund balance, which was fiscally unhealthy for the Town. He also said it was not sustainable to talk about a 3% increase if the Council was not also going to talk about how much was being spent. He said he believed the Town was spending wisely, and was getting a lot for its money. He said this Budget reflected that, but said if the Council was going to drastically decrease spending, which was certainly within the prerogative of the Council, there would be an impact on the resources available to meet the needs of citizens.

Administrator Selig also noted that the growth in the tax base had declined in the past few years, and it was now 1.5%, so there wasn't as much to offset increases in spending. He said there were some choices to make. He noted the proposed Zoning Amendments, and said the Council was currently looking at whether there was enough focus in them on areas of Town that could be developed for the economic benefit of the Town. He said how quickly the Council wanted to proceed down that path was another question.

He said the cover of the Budget document was meant to represent trying to find a balance between meeting the historic needs of the Town and the challenge of increased expenditures in the community.

Bill Hall, 1 Smith Park Lane, said the Fire Department's training person was the most important person in the Department, so staff knew how to put fires out. He provided details on this, and said handing off this job to the captain on a shift was not enough. He said there was a serious problem with the Fire Department, and one of the indications of this was that they didn't understand the importance of fire lanes and of not allowing parking near hydrants. He said he hoped the Council would listen seriously to what he was saying about this.

Mr. Hall also spoke about the sewer line failure on Burnham Avenue. He said Public Works personnel said it was imperative that work on this be done next year. He said the water line should be replaced at this time as well.

He also said the work on Madbury Road needed to get done. He said that about half of the pipe breaks in Town over the last 30 years had taken place there, and provided details on this. He said the Town crew could do Burnham Avenue and the Town could contract out to Madbury Road and Woodman Avenue.

Mr. Hall spoke about the Craig Supply site. He said the building was taken down in a hurry, and some contamination was found, but said there was no reason that hot top couldn't be put down on the area between the contamination and the front of the lot, so the Town could charge for parking spaces. He also noted that building could have been used for the Library.

Mr. Hall said he had tried to get the Town to do logging. He noted how when he was Trustee of the Trust Funds, sustainable logging was done at the Doe Farm. He said the same approach could be used now, and could raise \$10,000-20,000 dollars for the Town every year. He suggested that the land around the dump would be a prime candidate for logging, noting there was a lot of dead timber in this area. He said he could do this work for the Town, if necessary.

Mr. Hall spoke about the parking area at the Wiswall Bridge, and said it was nonsense that this area should not be enlarged.

He said there were transportation studies and Master Plans going back many years that spoke about the northern connector. He provided details on this, and noted how the University had moved away from the idea. He said when dealing with this kind of mentality, studies weren't the answer, and said the Town should go to court over this.

Mr. Hall noted that the Town of Newcastle had seen a reduction in taxes this year, related to school funding. He said Paul Beecher was a selectman there, and should be hired as a consultant to advise Durham as to how to deal with its school funding issue, since Town staff wasn't dealing with it. He said Mr. Beecher could determine if it made sense to go to court over this issue.

Ted McNitt, Durham Point Road, said he was present to ask the Council to continue to give serious thought to the importance of the Town library. He said that considering the limitations on the current library building as well as other limitations, the library staff had done an excellent job, and should be given the opportunity to develop to be more effective in their present situation. He said he hoped there could be agreement on a location for the new Library facility, and suggested it could be a sustainable building. He said in order to learn properly, kids needed parents, teachers, and a library.

Scott Hovey, 41 Canney Road, said his concern was that out of 231 New Hampshire towns, Durham was rated 221 in terms of its tax rate. He said when Administrator Selig said the tax rate was slowing, he would suggest this was because the tax rate was so high, people weren't choosing to live in Durham. He also suggested that Durham wasn't so desirable a place for developers to build in. He said property values were not increasing as much as in surrounding towns and taxpayers were thus being hit from all sides.

Mr. Hovey spoke in detail about various spending issues. He noted that when an engineer for the Town was first hired, he was supposed to save the Town money. He provided details on this, but said he couldn't see where this had happened.

He said that when the Town separated from the UNH Library and established its own library, residents were promised that this would cost what it cost to be part of the UNH library. He

said the Library committee and Board said they were going to raise money, but he said they hadn't done this, while the cost of operating the current library kept going up. He said he was one who had thought the Town had a good deal with the UNH Library, and said he found the present situation ludicrous.

Mr. Hovey said the Craig Supply project was still not done after 6-7 years and also noted that a perfectly good building had been torn down as part of the project. He said his opinion was that the building was torn down because of disagreement about using it for a library.

He said he would like to see a 3% decrease in expenditures, regardless of what Administrator Selig had spoken about. He also said the fund balance shouldn't be touched, and said savings should come by cutting back, being more efficient, and working smarter. He said he found the logic of using the fund balance to be faulty.

Mr. Hovey asked about the proposed 12% increase in the Town Council expenditure.

Administrator Selig said the contingency fund was in the Town Council portion of the budget, and it had been increased this year by an additional \$10,000. He said he believed there should be a \$100,000 contingency fund for emergencies. He provided additional details on this, and said the amount was listed in this place because the Council had to decide to use this money.

Mr. Hovey suggested that this should be listed separately and not under Town Council, noting that the Council had to make the decision for everything on the sheet. He said doing this would eliminate the possibility of any misunderstanding about this.

Mr. Hovey asked how many vehicles the Town currently had, and was told there were 58 vehicles. He noted that in 1992 there were 43 vehicles, and said this represented a significant increase and didn't reflect the growth in population since 1992.

Mr. Hovey noted that a new communication center had previously been planned, which was supposed to save the Town money. But he said this now appeared to have evaporated.

He said sidewalks were nice, but with a 4% increase in spending, this could be put off because they weren't necessary. He said they were not necessary for the people in Town on fixed incomes and those who were being driven out of Town because they couldn't afford to live in Durham.

Mr. Hovey asked why the Town needed to hire a planning consultant when it already had a Town Planner.

He asked that the Council look at the impact the high tax rate had on the Town, and that it cut the Budget down to where it should be. He said in his opinion, this was not a fair Budget.

Councilor Peter Smith noted that Mr. Hovey had suggested a 10% decrease in the 2006 Budget, and asked if he could be specific beyond what he had already said, as to what services could be cut, in order to reduce the Budget by approximately \$800,000.

Mr. Hovey said he hadn't specifically said that. But he said he believed there were too many people on Town staff, and said the Town should use the people it had more efficiently.

Mr. Hall said in answer to Councilor Smith's question that just because the University needed firefighters, that didn't mean the Town could afford them. He said he was willing to pay half of the cost for the Fire Department, and provided details on this. He also said the Police Department was a little heavy, although noting it had more problems to deal with than surrounding towns. He said a town the size of Durham could probably only afford one police officer per 500 people. He also said that elements of the Public Works Department were not especially productive. He provided details on this, and said this should be looked at.

Mr. Hovey said the school funding formula was not a fair formula, but said this would never be fixed by a vote of the three towns. He said he believed this Town Council should make the formula a core issue. He said it was worth the investment, and could make a huge difference.

Councilor Kraus MOVED to close the public hearing. The motion was SECONDED by Councilor Julian Smith.

Councilor Peter Smith asked if the CIP had also been posted for public hearing, and was told it had been. He said he was not sure that citizens realized they could talk about the CIP at the public hearing.

Chair Sandberg asked if members of the public had thought the public hearing was also for the CIP.

Mr. Hall said he did not.

Chair Sandberg asked that Councilors take this under advisement in voting on the motion, and recommended they vote in the negative.

The motion FAILED 9-0.

Mr. Hall said he had tried to come before the Council when he saw that the Madbury Road problems were not in the CIP. He provided details on this, and said one of the reasons they needed to fix this now was so they wouldn't have to worry about it when there were other repairs to be made.

Administrator Selig said the CIP proposed design of that water line improvement, and construction, in 2007.

Councilor Kraus MOVED to close the public hearing. Councilor Peter Smith SECONDED the motion.

Chair Sandberg said Administrator Selig had advised that the Council address the CIP first. He said the most efficient way to do this was to move to approve the CIP, and the Council could then make specific motions to modify it. He asked if Councilors needed Administrator Selig to clarify anything.

Councilor Niman said he would like to have a separate discussion on general policy issues underlying the CIP and capital Budget. He said one of the issues was the use of fund balance to lower the tax rate for next year, which he didn't agree with. He also said he would like to talk about the overall increase in the Budget of 4.68%. He noted this increase had been tied to the Consumer Price Index (CPI), but said he was reluctant to do this, because the CPI would have been substantially less without the hurricanes this year. He provided details on this.

Chair Sandberg asked when the best time was to speak about the fund balance issue, as part of the CIP discussion or the Budget discussion.

Administrator Selig recommended that the Council move and second both the CIP and the Budget, noting that the FY 2006 Budget was included in the CIP. He said once these were both on the table, the Council could open the discussion and ask questions on these kinds of issues.

Chair Sandberg said the most useful approach would be for Councilors to provide specific recommendations.

There was further discussion on when the fund balance issue should be discussed. Administrator Selig noted that if the Council decided not to use the fund balance, to reduce the tax rate, there would be offshoots of that initial suggestion.

Councilor Needell asked whether, if the Council was not happy with the 4.8% increase, it had the prerogative to say a \$800,000 of money should be cut somewhere from the Budget, without specifically saying where it should be cut from.

Administrator Selig noted this had been done in the past. He said the Council had the option to reduce the bottom line, but he said it would be a better policy to ask him earlier in the process to show where he would make cuts, within certain parameters. He said he could then bring back a modified document, and there could then be discussion about what it meant.

Chair Sandberg said one way to preserve the fund balance would be to cut a certain amount out of the budget, and another way would be to raise taxes. He said it might make the most sense to amend the budget, and to do this after the Council had determined whether it was successful in cutting some expenditures out of the Budget.

Councilor Needell asked if the Council had to reach a decision on the line items in the Budget by December 31st, or just the bottom line amount. There was discussion about this.

Councilor Peter Smith noted Councilor Niman's second question on the consumer price index, and asked when this would be discussed.

Chair Sandberg said that by having the CPI number, the Council was provided with the comfort of thinking things weren't so bad. But he said Councilor Niman was saying that things were worse than they had been led to believe, because the CPI would have been substantially less if it weren't for the hurricanes.

He said if Councilors were taken by that argument, it might cause them to look at individual items that they thought could be cut. He challenged Councilors to find places that could be cut, to achieve the kind of increase that was tolerable. He said if the goal was to reduce the overall budget by a certain amount, they should be specific about what should be cut.

Councilor Van Asselt said he had no interest in going line by line through the Budget, and questioning what Administrator Selig had put together. He said he felt this should be treated as a broader policy question, as to whether the Council supported 5% increases or not, if it supported the use of fund balance or not, and then Administrator Selig and department heads should come back and say how they would make this work.

He said he feared they were headed into grinding out every aspect of the document. He said there had to be another way to deal with it than this, and said this was something that the Council needed to make a decision on.

Chair Sandberg noted that the Council had earlier in the year been asked to provide input into the Budget, and to set parameters for Administrator Selig to use. He said perhaps Administrator Selig would have presented a Budget with a 0% increase, if that was what the Council had asked for. He asked Administrator Selig what his frame of reference had been in developing the Budget.

Administrator Selig said it was to continue to provide a high level of services to the community, noting this was one of the Council's foremost goals. He said he didn't think there was any need to go through the Budget line by line, and was a waste of their time, although noting the Council could certainly do this if it wanted to.

He said it was important to have a discussion on the broad policy issues represented in the Budget such as the library and traffic. He recommended starting with the CIP, on these flagged items, and then moving on to the Budget. He said if the Council thought it was too high, it should tell him that and he would bring back something lower.

Councilor Kraus said he had recently had an epiphany at the Town dump. He read the definition of Epiphany - "a sudden manifestation of perception of the essential nature or meaning of something; an intuitive grasp of reality through something simple and striking."

He said when he left his seat in March of 2006, he would have served 7 ½ years on the Council, in two periods beginning in 1991. He said he believed he had a clear sense of what drove Durham, AND IT WAS NOT TAX CONCERNS.

He said he had originally run for election in March of 2003 on a slogan of "Cost Conscious Kraus" so his stand on taxes and cost saving was clear. But he said the joke was on him.

Councilor Kraus said his epiphany occurred when citizen Valena approached him about an issue with the hot weather summer clothes requirement for dump personnel. He said Mr. Valena was very intense about his concern that Town personnel in that setting should be allowed to wear shorts, not long pants, and said he was planning to circulate a petition to get 1000 signatures to put this on the ballot for citizen vote in March.

Councilor Kraus said that Bingo – it hit him, that Durham's citizens were very intense and focused on their issues, circulating petitions to spend millions for a new library, or for \$100,000 + for a cutaway and view scape of an award-winning bridge. He questioned whether there had ever been a petition to cap the budget or to mandate cuts in expenditures, and said he doubted this – never, no way!

Councilor Kraus said there was a lot of passion in Durham, BUT IT WAS NOT FOR LOWER TAXES. He said he suspected that citizen Valena might get 1000 signatures to mandate a relaxation of dress codes at the dump, and said that was Durham Democracy. Councilor Kraus said he was sure he personally couldn't get 50 signatures to cap the budget or to mandate cuts.

He said that **special interests ruled Durham**, noting he had seen his computer screen clogged with their messages, and the Council chambers packed for their causes. He said he had seen 2-3 persons appear on tax and budget concerns and a very few emails, period, as Scott Hovey had said that evening.

Councilor Kraus said this was his final budget swan song statement. He said if people didn't like what he was saying, and didn't want tax increases, there were two choices: 1) to get down to the Council chambers and make their voices heard during the Public Comments period and in letters and emails, since the public hearing on the Budget was over; or 2) to run and sell while they could, and get out of Town because they hadn't seen anything yet--budget Chernobyl, and tax meltdown.

Councilor Niman said he had provided recommendations for very specific cuts to the Budget the previous year, and was told it was unfair to do this at the last moment. He said he didn't have any specific cuts to recommend this year because of his experience the previous year that these were not welcome. He said he was therefore left with a general policy statement to make, which was that he thought spending was too high.

He said he would like to see a budget increase of 3%, which didn't use \$275,000 of fund balance. He said he didn't disagree with the policy decisions reflected in the CIP, noting that if they were going to use fund balance, they seemed perfectly fine. But he said again that he thought spending was too high.

Councilor Peter Smith said he did not understand Councilor Niman's perspective regarding making specific recommendations this year for cuts in the Budget. He said all sorts of policy issues were reflected in this budget, and said he thought Councilor Niman was misreading the situation if he thought his own specific recommendations wouldn't be appreciated.

Concerning the Consumer Price Index, Councilor Smith said he understood that Administrator Selig had talked about that issue because it was used as part of the construct of putting together the budget. He noted that the American economy has been inherently inflationary, and using the CPI ran through many government decisions. But he said Councilor Niman's point that the hurricanes had distorted the CPI was a legitimate issue, and said he would like more information on this.

Chair Sandberg noted that all budgets were essentially projections. He also said that if it turned out that the CPI was not an accurate number to use, operating costs presumably would be less, which would result in an increase in fund balance at the end of the year.

Administrator Selig agreed, but he said the main driver for the suggested increase in the tax rate was not the CPI, it was what he had been saying for the past few years, about the sustainability of a 3% increase per year. He provided details on this, noting that despite the fact that the CPI the previous year was only 2.5-4.3%, he had recommended a 4.8% increase because he didn't think 3% was sustainable, based on the fiscal forecast. He said he had spoken at great length this year as well about these long-range projections.

Councilor Needell said the Council had 12 months to discuss policy issues, and 2 months when it could discuss the Budget and CIP. He said it could change these documents, but said if the Council recommended not using the fund balance, it had to know where the cuts were going to come from. He challenged Councilor Niman to convince him of specifically where these cuts should come from.

Councilor Kraus said the use of fund balance was very problematic, because it masked the reality reflected in his previous statement. He said the Town had no real revenue growth, and increases in expenditures. He said the idea of using a shot of Novocain to prevent the Council from realizing what would happen next year was not a good idea.

Councilor Carroll said she was concerned about using the fund balance to try to soften things. She said it should be a topic of discussion as to whether the Council should eliminate the use of it, or at least reduce the amount used by a certain amount.

Councilor Peter Smith said the Council had discussed this issue every year, including the policy of why the Town had a fund balance. He said no one had suggested there shouldn't be one, but he said other questions were how much it should be, and when it should be used.

He said his own question was whether the Council was taking out the amount it was in order to keep things evened out over a period of years. He said the Council needed to come to some agreement as to a rationale that was consistent with the theory of having the fund balance.

Chair Sandberg said the rationale and the consensus was to have approximately \$1.5 million, plus or minus \$100,000-200,000, in fund balance as a shock absorber, to even out the tax rate. He said the challenge for the Council was to determine where to cut spending in order to achieve that. He said the Town needed to preserve the fund balance in the outer years, or the tax rate would have to be raised higher.

Administrator Selig provided details on how the proper fund balance level was determined, and said it was determined that it be somewhere between \$1-1.5 million.

Councilor Kraus said the fiscal forecast indicted that tax rate would be 8.4% in 2010. There was discussion about this.

Administrator Selig said it would be, if the Budget increased at approximately 5% per year, if the Council approved all \$2.5 million for the conservation bond, if a new Library was built, and if improvements on Beech Hill Road were done.

Councilor Kraus said in this context, the fund balance might be decreased to under a million, to mitigate the pain of that increase. He thanked the Business Office staff for allowing the Council to be able to see the future like this.

Administrator Selig noted that he had suggested a gradual accumulation of savings for the purchase of conservation land, but the voters had decided to move forward with the bond.

Councilor Kraus MOVED to adopt the Budget and CIP. The motion was SECONDED by Councilor Needell.

Chair Sandberg called for a five-minute recess at 8:57 PM.

The meeting resumed at 9:05 PM.

Councilor Peter Smith said he assumed that, given the previous discussion, that if the fund balance was used as a way to balance things out over a period of years, it made sense for the Council to look at the CIP. He said he intended to speak on the CIP shortly.

Councilor Morong said in projecting out to 2010, he assumed that the rise in taxes reflected the bonding cost. He noted that if interest rates went up, this cost could go up substantially.

Administrator Selig said he agreed, noting this depended on when the project was bonded.

Chair Sandberg noted that interest income, listed under Revenues on page 18, would also increase if interest rates increased.

Administrator Selig said the projects listed in the CIP were not set in stone, and said if the timing were not right, a project wouldn't happen. He provided details on the proposed Library project as another example of this.

Administrator Selig noted the Main Street project listed on p. 27 of the CIP, and provided details on it. He said of the \$656,000 needed for the project, the bulk of the funds would come from grants. He said Durham would contribute \$92,000, and explained that this amount was what the Town thought it would cost to repave the road. He said it was not certain this project would happen in 2006.

Councilor Needell said the impact on the tax rate if it didn't happen would be that \$92,000 would not be expended in 2006.

Administrator Selig said that was true, but he said it was expected this money would be raised through bonding. He said the money wouldn't come from fund balance yet because they wouldn't have actually raised the money yet. He said that unless the University secured additional grant funds, or came up with additional money from someplace else, the work was

unlikely to happen in 2006. In response to a question from Councilor Needell, he said the work on at least the roadway itself would happen, one way or another.

There was additional discussion about the Main Street project, and whether it was carried in the Road Paving program. There was discussion on where this project showed up in the Budget and CIP.

Administrator Selig asked if Public Works Director Mike Lynch could confirm that this project had not been double-budgeted.

Mr. Lynch said the project was in the 2006 Budget, but said there was also a placeholder for it for 2008 in the CIP, so the project wouldn't be lost. He said if it didn't happen in 2006, it would be moved into the Road program for 2008.

Councilor Peter Smith said he recalled that the cost of the new Library in the most recently enacted budget had been \$3.5 million, and asked why this had now been increased by \$65,000.

There was discussion with Administrator Selig about this.

Councilor Smith asked what indicated that the full amount for the project would not come from tax raised money. He said he could not subscribe to the idea of tax monies being used to pay for 2/3 of the project, any more than he could the previous year. He said the amount the Council would agree to should not be decided on until it saw an appropriate effort to raise private monies. He said he thought it was a mistake to list these numbers in the CIP at the present time, noting he did not think it provided encouragement to raise funds.

Councilor Kraus said he recalled that Councilor Smith had made that statement the previous year. He said he had concurred with the statement then, and concurred with it now.

Councilor Peter Smith said his view was that private monies should come first, and that Town government should consider making a reasonable input of taxpayer money after seeing the success of that effort.

Administrator Selig provided details on the figures in the CIP, and explained that the Library Trustees didn't feel they could undertake fundraising until they found a site for the new Library. He said they were putting their efforts toward that at the present time.

Councilor Peter Smith said until the Trustees came forward with a major fundraising effort, the Town shouldn't be budgeting money for the Library.

Administrator Selig said one option was to keep the line item but to take the figures out and put some wording in. But he said the problem with doing this was that it didn't provide any data for the fiscal forecast, and said it was important for the Council to see those figures. There was a detailed discussion about this among Councilors and Administrator Selig.

Business Manager Paul Beaudoin said the bonding schedule on page 20 showed the Library at the bottom of the page, and said this was where they got the numbers to add onto the fiscal

forecast. He said if the numbers for funding the Library changed, the bonding schedule would be adjusted, which would adjust the fiscal forecast.

Councilor Peter Smith said there were two issues to consider, one of which had to do with looking out 10 years, and the other which had to do with what sort of arrangement the Town could make, assuming it wanted its own library building, which he favored, to help make that come about.

He said if the CIP passed as it presently was, he would think the Town was paying for 2/3 of the cost of the library. He said he thought it was a mistake to do this, even though he didn't think the Budget could be cut by 10%. He said he thought this was one item where major private fundraising could be brought into play.

In answer to Chair Sandberg, he said with the understanding that there might not be a discussion on this in the next month and a half, the CIP should say that no more than 1/3 of taxpayer money should be spent on the library. There was additional detailed discussion about how the Library line item should be handled in the CIP.

Councilor Carroll said when she saw these numbers, she had presumed they reflected that specific conversation had taken place on them. She said it seemed unfair to everybody to put any numbers in for the Library at present, and suggested the wording "amount to be determined" could be put in the CIP at present, unless the Council was willing to put out a formula.

There was additional detailed discussion about the best approach to take.

Administrator Selig suggested striking the dollar amount entirely, and to retain the line item as a placeholder only. He provided possible wording to use for this. He said this would assure that the issue was on everybody's radar, but would provide a message that could not be misunderstood.

Councilor Peter Smith said he liked what Administrator Selig had suggested. He said the Council hadn't yet had this discussion, so the honest approach was to take the Library out of the 10-year forecast until after this discussion took place.

Administrator Selig said the fiscal forecast had forced this discussion, and said this was what he had hoped would happen.

Councilor Kraus said the CIP was a mathematical document, and said he thought the numbers should either be in the document or not.

Mr. Beaudoin said the CIP was meant to be a planning document, and said when this discussion did take place, the numbers could then be added to it. He said it was reasonable to put the Library down to the bottom of the list until there was more information available. He noted this didn't defeat the purpose of the CIP, because the rest of it remained fully functional.

Councilor Morong noted there were a lot of people who were interested in the idea of a new Library, and in how the Council viewed this. He said his reason for thinking the Library should perhaps be taken out of the CIP was not that he didn't think it should happen. He said he would simply like to have more discussion first on the Library, and what it would cost.

Chair Sandberg noted it was 10:00. pm. He said Administrator Selig had asked that the Council defer further discussion on the Budget and CIP until November 28th, because he would be out of Town on November 21st. He suggested that the Council could continue deliberations on Section B concerning proposed Zoning Amendments on the 21st.

IV. Adjournment

Councilor Needell MOVED to continue deliberations on the FY 2006 Budget and CIP until November 28, 2005. Councilor Morong SECONDED the motion, and it PASSED unanimously 9-0.

Adjournment at 10:00 pm

Victoria Parmele, Minutes taker