

**This set of minutes was approved at the January 8, 2007 Town Council meeting.**

**DURHAM TOWN COUNCIL  
MONDAY, NOVEMBER 27, 2006  
DURHAM TOWN HALL – COUNCIL CHAMBERS  
7:00 PM**

**MEMBERS PRESENT:** Chair Neil Niman; Councilor Peter Smith; Councilor Mark Morong; Councilor Karl Van Asselt; Councilor Diana Carroll; Councilor Julian Smith; Councilor Catherine Leach

**MEMBERS ABSENT:** Councilor Gerald Needell; Councilor Henry Smith

**OTHERS PRESENT:** Town Administrator Todd Selig; Business Manager Gail Jablonski; Public Works Director Mike Lynch; Library Director Tom Madden

**I. Call to Order**

Chair Niman called the meeting to order at 7:03 PM and explained that this Council meeting would be a workshop devoted to discussion of the 2007 Budget and the CIP.

***Councilor Julian Smith MOVED to adopt the fiscal year 2007 Budget, including the Capital Budget, Water, Sewer and other Budgets, and the 2007-2016 Capital Improvement Program. Councilor Leach SECONDED the motion.***

Administrator Selig said when he presented the budget, he had said it might be possible to make further cuts in the Fire Department budget, and said additional work had been done on this.

He said they had been able to take advantage of significant savings in regard to workers compensation rates. He suggested that rather than make the actual reduction to the Budget that evening, the Council should wait, but said he simply wanted to give the Council a sense now of the savings involved.

He provided details on the savings, and said an approximately \$75,000 reduction in this had been allocated between the Fire Department and all the other departments (he noted that the Fire Department was tracked separately). He said Town staff needed to be given credit for these decreases, noting that in many towns, workers compensation rates were increasing. He said Durham was taking advantage of these savings and passing them on to the taxpayers.

Administrator Selig said Chief O'Leary had tried to restructure the Fire Department budget somewhat to break out maintenance as a separate section of the budget. Administrator Selig said it was clear to him that there were additional savings that could be garnered, and should have been represented in the first budget. He said these changes had now been made to the Budget.

Business Manager Gail Jablonski provided details the changes that had been made.

Councilor Carroll said regarding the reduction in workers comp costs, this sounded like employees were being safety-conscious. She said these kinds of things often went unnoticed, and said it was important to congratulate these employees and their department heads for these reductions.

There was discussion about the fire suppression overtime figure of \$25,260, and the fact that it did not actually represent additional savings concerning the budget, but instead was a clerical correction.

Councilor Peter Smith asked if any other figures on the sheet that had been provided fell into this category, or instead represent a determination that a lesser amount of money could be spent for the various items.

Administrator Selig said the other items represented a determination that fewer dollars could be spent.

Chair Niman received clarification that the Town had gone to a 24-hour shift for the Fire Department two years ago. He said he thought it had been anticipated that there would be sizable savings last year as a result of this.

Administrator Selig said this had been tracked for the past few years, and said it had turned out that the Town was spending what it had been spending previously, despite the change. He said going to the 24 hour shift had worked out better from an operational perspective, but said the saving had not materialized. He provided additional details on this.

(Councilor Morong arrived at 7:20 pm)

Councilor Van Asselt said he would like to propose some amendments to the Budget that represented program and policy changes, and said what he was proposing was a response to citizens' concerns about the proposed 2007 Budget. He said the goals of these amendments were to reduce the property tax increase, try to maintain the level of services, and have a minimal impact on the 2008 Budget.

He said he was assuming that the only fixed cost was the debt service of \$1.3 million. He said he would be focusing only on reducing the property tax portion of the budget, which had gone up a bit less than \$502,000 (\$486,000 based on changes presented that evening by the Business Manager). He noted that the non-property tax portion had gone up only about \$29,000. He said to get to a 0% increase in the budget, about \$471,000 had to be eliminated (difference between \$502,000 and \$29,000).

Councilor Van Asselt provided a list of items that were starting points for going after the \$471,000, and he provided details on each of them.

From Operating budget

- A. Limit the budget to a 5% increase
- B. Limit Communication Center increase to 5%
- C. Limit library budget increase to 5%
- D. Eliminated funding for extra police coverage during UNH school opening and closing (since this represents an incremental cost for hosting UNH, funding should be provided by UNH)

- E. Do not fill current police officer vacancy
- F. Cut “General Administration” 2%.

#### From Capital Improvement Plan

- A. Eliminate transportation study
- B. Purchase only one fire vehicle
- C. Move engineering work for Oyster River Dam repairs in house

#### Related Items

- Maintain in CIP \$198,000 for road repairs. Town Administrator and staff will determine the roads on which that funding will be spent
- Recommend a 2% cap on salary increases for town employees along with a 1% pool for necessary price adjustments
- Investigate the possibility of consolidating the positions of Town Engineer and Director of Public Works for 2007 and 2008
- Renegotiate Communication Center agreement.

Councilor Van Asselt said the “Related Items” he had listed did not have dollars attached, and also said they were not an all inclusive list.

Councilor Peter Smith said regarding the assumption that the other half was well considered by Administrator Selig so there was nothing to be done concerning it, he was curious as to the basis for the belief that there was a difference in the quality of examination and judgment, in coming up with the two different figures.

Councilor Van Asselt provided details on his reasons for doing this.

Councilor Peter Smith asked what the premise that there should be a 0% increase in the property tax portion of the Budget was based on, other than commentary from residents that the Council had to do something about high tax rates. He noted that the market economy was inflationary, and asked if what was being suggested here was something that should be done on a one-year basis, or represented a longer-term concept that there would be no increase in the property tax, and also said if so, he would like to know what the empirical basis was for this.

Councilor Van Asselt said the reason he had used a 0% increase was that he would prefer to start with that than with a 3-4% increase. He said he was not necessarily an advocate of zero-based budgeting, but said this was a place to start in order to see how close they could come to this. He said that in the broader context, he thought they were at a point where until something could be done about broadening the tax base and increasing revenues, the Council had to make every effort to be as close as it could to where things were the year before. He said he realized that inflation was at play, but said it was too easy to say things were going up. He said there were still years where the Council should say that the Town couldn’t have some things, and he said he thought this was one of those times.

Councilor Peter Smith said Councilor Van Asselt's approach, if viewed as something other than a one-year proposition, was necessarily an approach that said there should be less in the way of government services than the year before, assuming that there wasn't an increase in revenues.

Councilor Van Asselt said he was not suggesting that with these recommended changes, there should be less in the way of services. But he said he was saying that he thought the same level of services could be provided for less money. He said he felt this was one of those years where the Council had to say this. He said this might mean that his street wouldn't get swept twice, but he said that would not mean that the service program itself was going down the drain.

He said there could still be basic services, but they could be done as efficiently and cost effectively as possible. He said he didn't think the people who spoke at the public hearing wanted fewer services, and he said that was the challenge. He said he thought Administrator Selig had put together a good budget, but said he thought it was the Council that finally had to make the choice as to whether the Town could afford what was in it.

Councilor Peter Smith asked whether, in order to determine whether this proposal would constitute the same services performed more efficiently, or fewer services the Council was prepared to have, each of the items presented needed to be investigated in that light, with information provided by the people who could explain which category each item fell into. He asked if Councilor Van Asselt thought this should be investigated.

Councilor Van Asselt said yes, and there was discussion about this.

Chair Niman said he felt that a 5% increase was a reasonable number, knowing that inflation was less than 5%, and said he didn't see anything wrong with setting targets.

Councilor Peter Smith said it was one thing to set targets, and was another thing to go to each Town department to determine how this applied. He said it didn't follow that it would apply the same way for each department, once the research was done

Councilor Van Asselt provided details on why he had chosen the numbers he had for particular departments.

Chair Niman said he thought funding for extra police coverage at UNH was valuable programming, but was not something the Town should pay for. He said he thought it represented an incremental cost for hosting UNH, and said he felt the Town should go to the University and say that if this was a valuable service, it should pay for it.

Concerning the police officer vacancy item, Chair Niman said he personally would like to eliminate this position from the Budget, but in its place put the hiring of a recreation director. He said this item represented a value judgment, in that he valued a recreation director more than replacing a police officer. He said others might disagree with him on this, and said it was a matter of a difference of opinion.

Chair Niman said he felt the Council needed to look at some of the things it was currently doing, and to determine whether these things were consistent with the services it wanted to offer in the future.

He said he didn't feel that the services to be provided were etched in stone for all time, and said they could choose to offer a different mix.

He said he would like to find some way to fund a recreation director, but said he was not interested in raising taxes in order to do this. He said it was a question of priorities. He said they were all trying to figure out what the values of this Council were, and how to shape the Budget to meet those values.

Administrator Selig said he would like to provide some information concerning what Councilor Van Asselt had proposed that could be helpful to the discussion. He said the CIP items wouldn't result in the straight dollar savings that were shown, noting for example that the recommendation had been that the \$100,000 transportation study be bonded over 10 years, so the fiscal impact wouldn't be felt until 2008.

He also said the engineering work for the Oyster River dam repairs was a bonded item, and its impacts wouldn't be felt until 2008. Administrator Selig noted as well that the Fire Department vehicles item didn't affect the bottom line tax rate because the recommendation had been to tap into the capital reserve fund for the Fire Department for these vehicles.

Councilor Van Asselt asked if buying one fire vehicle instead of three could be used to offset other increases in the Fire Department.

Administrator Selig said that couldn't be done, and explained that the funds involved were only set up to address capital items.

Councilor Van Asselt asked whether the engineering for the Oyster River dam repairs was something that the Town Engineer could do. He also asked why the plan was to bond the engineering services that were proposed.

Mr. Lynch said a structural engineer was needed for the work on the dam, while the Town Engineer was a civil engineer. But he noted that some of the work would in fact be done in house.

Administrator Selig provided details on the issue of bonding of consultants.

Councilor Van Asselt said he simply didn't buy the idea of doing this, and having to pay interest on consulting services.

Administrator Selig said he would be glad to look further at the Fire Department budget, given what had been presented by Councilor Van Asselt. Regarding the Communications center recommendation, he explained that the Town didn't have oversight on what the overall cost for this would be. He also noted that the Town was responsible for 40% of this expense, but used more than 50% of the service itself. He also spoke about the possible option of transitioning to the county dispatch system.

Concerning the recommendation to eliminate the extra police coverage, Administrator Selig said it was important to remember that many of the arrests in Town occurred during those time periods, and also brought in revenue to the Town. He noted that there was \$ 95,000 in revenue from fines

attributed to those arrests, and said that although the Town could reduce spending on police coverage, the decrease in revenue might mean that the goal of reducing the Budget wasn't achieved.

Administrator Selig also said it had turned out that there was not a police officer vacancy, but he said what had been suggested was still a possibility in the future if such a vacancy occurred. He also noted that regarding the recommendation of a 2% cap on salary increases, if this were done, it was assured that there would be protracted union negotiations. He provided details on why he didn't think a combined Town engineer/Public Works Director position would work.

There was further discussion on the use of funds in the capital reserve account for the Fire Department, and whether the University had to agree concerning the spending of those funds.

Councilor Peter Smith asked if this was something to be discussed by the Council, in terms of its decision-making authority.

Administrator Selig said there were limitations under state law concerning this account, and said he would have to research this issue further.

Councilor Peter Smith said he wanted to know if there were additional parameters to be considered, before going down that road at all. He also said it was important to have Department heads in the room as the Council had these kinds of discussions.

Administrator Selig said one of the Fire Department vehicles, the utility truck, should definitely be replaced, even though its transmission could instead be overhauled. He said he didn't think the overhaul was the best approach, so had recommended that funds be taken from the capital reserve fund for this.

Councilor Van Asselt said there were years when following the 10-year plan and replacing a car couldn't be honored, when people were saying they couldn't afford to live in Durham anymore. He said Administrator Selig hadn't answered the questions of these people.

Administrator Selig said it was never a good year, and said he asked the questions each year about putting things off. He also noted that things started to back up when work was put off.

Councilor Van Asselt said he appreciated why things couldn't be put off, but said he was asking for help in answering why the Council couldn't do something about the spiraling tax rate.

Administrator Selig said he had made a recommendation in 2001 to the Council concerning the use of proceeds from the land use change tax, and had also said he didn't think the Town could afford an all-out effort to do land conservation, because the tax base wasn't there. He said he had seen other needs out there. He also noted that at the time he had said that if the contingency fund was not used, it could go toward building up funds for land conservation.

But he said that Durham as a community had said no to this, and the \$2.5 million bond was approved overwhelmingly by the voters. He said he had voted against this, because he didn't think the Town could afford it. He noted that Town staff had shown in the Fiscal forecast what the implications of this would be on the Budget, so there was no mystery to this.

Administrator Selig said he felt they had done a good job of being frugal at the department level. But he said the predictions he had made regarding the impacts of the land conservation bond were coming into play, and said rather than looking at that, the Council was looking at other items in the Budget. He said one of his frustrations was to see something like the transportation study, which the Council had put funding toward last year, now being considered for elimination.

He said the growth in the Budget now was because of the conservation bond, and said down the road, there were plans for a new library and a recreation program. He said Durham couldn't afford to do anything until it grew the tax base, and he provided details on his perspective concerning this.

Councilor Morong said he had noticed that a lot of people had come out for the public hearing as compared to last year. He said it had been discouraging last year that residents had not come forward. He said he found it discouraging again this year that people didn't want their taxes to go up, but still wanted new programs. He said he thought Administrator Selig was correct, - it was not fair to ask him for a magical answer, and said perhaps a part of what needed to be done was to educate the taxpayers. He noted that there even had been confusion regarding the conservation bond. He said he had voted for it because he had heard that people wanted it, and said it seemed like there was a disconnect on this. He said he didn't think it should fall on the Council's shoulders either to find a magic bullet.

Councilor Carroll said the conservation easements had added 2.9% to the Budget. She said residents had asked that this money be spent, noting that several easements came at once, which was good in one way, but bad in another. She said it had been shown that these easements would save the Town money in the long run, and said she would hate to see the conservation easements become an easy target.

Administrator Selig said this increase in the Budget from the conservation easements was expected, and said in the long term, people would be very happy it had been done. But he said in the short term, they were hearing from residents on it.

Councilor Peter Smith said this year was the first public hearing on the Budget in recent years when there had been more than 3-4 people that had spoken. He said what had accounted for this was three matters had coming together at about the same time, along with a large amount of local publicity: 4-5 major conservation purchases; the Mill Pond Center, and the ORYA. He said looking at them together, residents had developed a sense that the Council had become profligate in its spending.

He said a better way to express the fact that there was a 2.9% increase for conservation was to say that three years ago, there were an overwhelming number of people in Town who voted for this, and that each year, for the past three years, this had cost residents a 1% increase, and that they didn't have to pay anything until the third year. He said this was the way these projects worked, and said he thought the real focus should be on the rest of the Budget.

He said he was very distressed at the increases in the property taxes, not because the bulk of people couldn't afford to pay their taxes. He said his great concern was the percentage of people who couldn't pay their taxes, because it was a tax that they unfortunately couldn't do much about.

Councilor Smith said he would like to see what department heads had to say about the proposals presented by Councilor Van Asselt, so the Council could measure their impacts. He said he agreed that the \$100,000 for the transportation could be cut, stating that he suspected that in the end, this would not be money that would be well spent.

Councilor Carroll said she agreed that the \$100,000 transportation study should be taken out of the Budget, and said it could perhaps be considered for the future. She noted that the Council had heard from Planning Board Chair Richard Kelley that he was willing to let it go. She also said Town Planner Jim Campbell had said he could see the reasons why the study could be put off.

Councilor Carroll noted that the \$30,000 approved by the Council the previous year was currently being used, explaining that the consultant who had been hired was going through the Town and University master plans, and other transportation studies done in the past, and would be pulling some recommendations together. She said the consultant was supposed to come up with an RFP for a larger transportation study, but said the Council could recommend not going to that next step, which would save a few thousand dollars.

She noted that another reason to put off the larger study was that they didn't really don't know what was going to happen with Mill Plaza, and she said if that redevelopment did occur, transportation downtown might be looked at in a whole different way.

There was discussion about this.

Councilor Leach said she agreed that the tax base, and the overall vision on how these different things fit in, was important. She also said she felt strongly that they needed to reduce the proposed tax rate, and said she didn't feel she would be doing a good job as a Councilor if she didn't look for ways to bring the tax rate down fairly significantly. She said she thought the Council should either work on the things on Councilor Van Asselt's list, or on other items that could be done.

Chair Niman said he didn't think conservation land was the source of the problems with the Budget, but said he did feel the source of the problems was decisions made 6-10 years ago, to increase the size of the Fire Department and Police Department and to reconfigure the Public Works Department, without a corresponding growth in the tax base to support this.

He said Durham residents were frustrated that residents of other towns had services that Durham didn't have, noting for example, the lack of recreational services provided by the Town and a library that was in a shopping mall. He said the Town didn't have these things, not because it had bought conservation land, but because Town Councils before this one had made decisions regarding public safety. He noted as well the expense involved with the Communications Center.

Chair Niman said he thought the frustration was that if residents were going to pay these high taxes, they wanted to see what they personally got for them. He said there had been efforts over the past few years to see if perhaps the Town could rearrange its priorities in order to spend less on fire, police, public works, and to then either cut the tax rate or provide services that other comparable towns had. He said this frustration wouldn't go away until the Town got more recreational services and a new library, both of which went with a high quality of life.



He said another frustration was that Administrator Selig talked about growing the tax base, but then there were things in the Budget that didn't make sense. He noted that \$90,000 was proposed to look into the issue of the west end sewer capacity, in order to encourage the highest and best use for the MUDOR district. He said he didn't understand why the Town would spend this money, but then not recommend repairs for the College Brook interceptor until 2012.

**Recess from 8:35 to 8:45 pm**

Administrator Selig said he would like to respond to comments from Councilors. He provided details on increases in Fire Department personnel over the past 10 years, but noted that in recent years, the Town had been aggressively trying to reduce personnel and other departments where possible. He provided details on this.

He said that regarding economic development, it was important to move forward on this, and said there were a number of items in the proposed Budget that dealt with economic development issues. He provided details on this, and noted that regarding the west end sewer capacity matter, the issue was the College Road interceptor, not the College Brook interceptor. He said the upcoming study on the College Road interceptor was needed in order to look at future development in that area, and said once it was known what the improvements would cost, this would be budgeted accordingly.

He said the challenge was that the philosophy of the Town up to last year, if a developer was interested in doing a project, was to say that the developer should do the analysis on the cost of infrastructure upgrades. He said this philosophy was changing somewhat, so the Town would have to put its money where its mouth was. He said this was the goal in terms of some of the Budget items that had been included.

Administrator Selig said the wastewater system was an old system, which was starting to show quite a bit of need for improvements over time. He said the tax rate and user fees would see increases regarding this. He also said that concerning the Spruce Hole study, he had proposed this project in the past but it had been cut, and said he was recommending again that the Town move forward with this.

Councilor Morong said the sewer improvements in the West end seemed to fall on the users out there, but said the benefits from these improvements would fall on the whole Town. He said the users themselves didn't need this, and asked if the burden was therefore being placed unfairly on the users.

Administrator Selig said it was true that the full cost was on the users, but he said on the other side, an increased number of users could help defray the costs.

Councilor Morong said perhaps there should be a TIF district there, in order pay off the project through general fund taxes.

Councilor Leach said the Town had been told that there needed to be a 12% increase in expenditures for the Communication Center, of which the Town would be responsible for 40%. She asked if there had been any discussion about what this increase was for, and if there was any way the increase could be negotiated down from 12%.

Administrator Selig said the committee that determined this figure included representation from the Town, and he said this committee had not been meeting frequently. He said he believed this proposed increase was outrageous, and said through Chief Kurz, the Town had requested a meeting on this, so it was possible that the number could be decreased.

Councilor Julian Smith asked Administrator Selig whether, if the Council wished to go with Councilor Van Asselt's recommendation on this, this would be a bargaining tool.

Administrator Selig said he didn't have data on what was driving the increase.

Councilor Julian Smith said Administrator Selig had indicated what things on Councilor Van Asselt's list shouldn't be cut, and asked if there was anything on it that absolutely could not be cut.

Administrator Selig said there was no longer a vacancy at the Police Department, because the person who was supposed to be leaving was not. He said staffing of the department could still be reduced by one, but said he would not recommend this. He said it could also be decided in the future not to fill a vacancy if it occurred, but he said he would not recommend eliminating funding for the extra police coverage.

Administrator Selig said if the Council had a figure for the Budget that it wanted to get to, he could come up with recommendations on how to get there.

There was discussion about the idea of the University taking over funding the extra police coverage position. Administrator Selig said he was not confident that the Town would get anywhere with this discussion, and he provided details on this. He said he agreed that the University should pay something toward offsetting the size of the Durham Police Department, but said the Town had not been successful concerning this. He said it could make sense to go with the consolidation approach, down the road.

Councilor Leach said although it would be good if the Council could vote on what Councilor Van Asselt had presented that evening, it seemed like more information was needed on the various items. She that based on what Administrator Selig had said, Item E (do not fill current police officer vacancy) under Operating Budget, and Item C under Capital Improvement Plan (move engineering work for Oyster River Dam repairs in house) should be taken off the list.

But she said the Council should move forward and find out more from Administrator Selig and Town staff concerning the other recommendations. She also said Item D (elimination of funding for extra police coverage during UNH school opening and closing) could at least be looked at. She noted that Councilors might have other Items for possible consideration as well.

Councilor Peter Smith said regarding the issue of the increase in the proposed Budget concerning the Communication Center increase, he wanted to know if the Town's ability and authority to decide it didn't want to pay this much, because it thought it was too much, was equivalent to what the University could say if it thought the same thing.

Administrator Selig said it was, but he said this involved more of a tradition than a written agreement. He said the Town couldn't dictate what the University spent on the dispatch center, but could say it was not going to spend a certain amount.

Councilor Peter Smith said if this was based on tradition, and not a legal agreement, and given the vast difference in the cost to the Town if it went with the Strafford County dispatch center, a fairly persuasive argument could be made that the Town wasn't interested in paying the additional amount of money.

Administrator Selig said such a move by the Town to the County dispatch center was not a credible threat right now. He said the Town had been the beneficiary of a good deal for some years, noting that if it ran its own dispatch facility, it would have to pay more. He said the data also indicated the Town should be paying more.

Councilor Peter Smith questioned this, and also said Town staff should investigate what could be done concerning the increase in costs. He also noted that he didn't like to hear that the reality of a consolidated Police department was far away.

Chair Niman said he disagreed with Administrator Selig concerning the benefits the Town received from the Communication Center. He said he didn't think the proper way to look at this was that the Town was getting a good deal because it generated more calls, noting there was someone to answer the calls regardless of how many calls were made. He said the hard wire issues on the other hand was worth looking at, and said this was why the University Fire Department was not willing to look at moving the dispatch services. He said hard wiring was more important to the University than to a resident of Durham, and said since it had greater value to them, they should pay more.

Chair Niman also noted that that the Strafford County dispatch center might not be the only option for Durham. He explained that there perhaps could be a regional dispatch center, shared with Newmarket, Lee, Newfields, etc. He said the more options that could be generated, the more credible the Town's position was.

There was discussion on a possible regional approach to having a dispatch system, including the possible costs of doing this.

Councilor Morong said it seemed like the current system was a luxury system involving UNH that the Town didn't need. He also said the Town had its own insurance, so essentially was paying extra with the current system.

Administrator Selig noted that this was a more complex issue than was indicated by the current discussion.

Chair Niman asked why he couldn't get what he wanted regarding recreation spending, etc., but other entities seemed to get what they wanted. He said he was trying to find what the Council could live without, so at least some of them could get what they wanted.

Administrator Selig said he could not yet provide an alternative dispatching package.

Chair Niman asked whether there were Police Department, Fire Department, or other departmental things in the Budget that could be given up. He said otherwise, why not pass the Budget right now.

Councilor Peter Smith said regarding the Communications Center, he thought there was an opening. He said he didn't know that the rate of calls from the Town presented any more valid a case for the cost than calls for the Fire Department. He also noted that the Public Works Department didn't appear on Councilor Van Asselt's list, and also said that he would like the recommendation to limit the Library budget to an increase of 5% to be addressed.

Library Director Tom Madden said the Library had proposed a 6.4% increase in its budget, and explained that this was based on: utility increases, funding of his retirement, and the addition of 5 extra staff hours per week to do processing.

Councilor Leach noted that the Budget said that part of the increase was due to expanding the Library collection.

Mr. Madden said there was only a slight increase proposed for this, and explained that it was felt the figure should be closer to \$30,000, for a properly funded library. He said they would try to supplement the funding for this so materials could be provided to the public, noting this was the essence of a library. He said the Library was grossly under-funded concerning this at present, stating that accredited libraries should be spending about 16% on collections, but Durham was spending 6-7%. He noted that they spent a quarter of their revenue on rent.

In answer to a question from Councilor Peter Smith, Mr. Madden said the Library raised \$15,000 to pay for a new circulation system which brought them up to par with most other libraries and which should soon be available online. He provided additional details on private fundraising being done, and said the amount of funds came to about \$25,000. He provided details on fundraising plans to increase the Library's collections, and said this was an odd way to fund this essential part of a library. He said the bulk of the funding for collections should be raised through the Town budget. He noted that Trustees in a lot of towns didn't raise funds, but Durham's did, and he said the Friends of the Library also funded various items.

Councilor Carroll said the Library was a department that could capture the imagination of the residents, as compared to other Town departments. She noted that there were a lot of people in Durham who loved books, and suggested that people in the community could give the library books as gifts.

Mr. Madden said this did happen, noting that the bulk of these books went toward book sales. He noted that donating a book might not necessarily be a good fit, but said if specific lists could be created that residents could check, this could help a lot.

There was further discussion on this, and Mr. Madden said this was something to look into. But he said this would make only a small dent in the amount of books that were needed. He noted that there were currently a lot of outdated books on the Library shelves.

Mr. Madden noted that the Town currently benefited significantly from having a 20 hour per week person who was funded through a federal grant.

Councilor Van Asselt said the Council was doing what he hated doing, going through the Budget line by line., and said he felt this was a waste of time. He also said the 14.1% increase in the Budget that the department heads had asked for was simply not right.

Administrator Selig said much of these increases were based on initiatives that were brought forward by others.

Councilor Van Asselt said if they couldn't cut the Budget and impact the \$481,000 property tax increase, perhaps the fund balance, UDAG funds, contingency funds, conservation funds, and department reserve funds should be looked at instead. He said if that didn't work either, perhaps something more dramatic should be done, like selling Town property, such as the Grange, etc.

He said the Town couldn't raise the Budget year after year, without something giving somewhere. He said this was not a criticism of the Budget, but people were saying they couldn't afford to live in Durham anymore with the current Budgets. He said someone had to step up and say something different should be done.

He said the Council had expressed its frustration about the Budget, and had heard the frustration of residents last week. He said the real frustration was that there was no end in sight. He said this was not just a matter of people on fixed incomes. He asked when someone would do something about it, rather than going through this process each year. He said if there were any more capital improvements, the debt service would get even greater.

Councilor Morong said he thought the Public Works budget should get scrutiny as well. He noted the line item for the Spruce Hole study, and said every year, he thought this item would go away, but it kept coming back. He said he would like to know again why the Town needed more water. Mr. Lynch provided details on this, and said he felt the Town could never have too much water. He said water was one of the Town's precious commodities, and set it would get harder and harder in the future to apply for large water withdrawals.

Mr. Lynch also noted that the Public Works Budget this year had gone down 1.4%. He noted that this was a department that supported other Town budgets, and he said he took the process of developing this budget very seriously. He said there were minimal increases in the budget in the past few years, and provided details on his thinking process concerning the scheduling of the various work projects the department covered.

Councilor Morong said he still didn't get the sense that 1000 water users in Durham needed more water, but did get the sense that the University needed more water. He said even if there was a water restriction every few years, he didn't think this would be the end of the world. He said he did want to encourage economic development, but said until there was something on the horizon, he was not sure he wanted the Town to spend almost \$3 million over the next few years.

Councilor Morong commended Mr. Lynch for holding the line on budget, also noting that there were other things, like FEMA funds, that had limited the percentage of increase in the Public Works budget.

There was discussion on this, and on the proposed Spruce Hole study. There was also additional discussion on the funding that had been removed from the roads program for 2007.

Councilor Julian Smith said he didn't want Councilor Van Asselt to think he had been wasting his time. He suggested that a motion be made concerning elimination of the Transportation study.

***Councilor Julian Smith MOVED to amend the original motion, to remove the Item on Page 3 of the Administrator's Proposed 2007 Operating Budget, concerning the \$100,000 Transportation Study. Councilor Carroll SECONDED the motion.***

Administrator Selig stated that this item had been very important to the Planning Board.

Chair Niman said this was the Planning Board's share of the pain that had to be felt because of the Budget.

***The motion PASSED unanimously 7-0.***

There was discussion about whether development of the RFP for the transportation study should be eliminated.

Administrator Selig said the work the consultant had done so far had been fruitful, and said he would stop him at the appropriate juncture, before the RFP was to be done.

Councilor Julian Smith said would like to raise an issue they would be facing down the road, concerning renovations to the Town Hall. He said the Council had never decided as a Council whether this was going to happen, and hadn't come to consensus on whether there should be a joint Library/Town Hall facility. He said they needed to start talking realistically about what the Town could afford, rather than having these pie in the sky figures in the CIP, and said this needed to be done in the near future.

Chair Niman asked how the Council would like to proceed, noting that there would be ample time to discuss the Budget at the December 4<sup>th</sup> meeting.

Councilor Leach asked if other Councilors were agreeable to seeing Administrator Selig do what he could with the list of Items, and perhaps other items, by the December 4<sup>th</sup> meeting.

Councilor Peter Smith said if these items were going to be considered, the Town Administrator and department heads should discuss with the Council what the implications would be of removing any of them from the Budget. He said he would not vote for or against anything without having the facts laid out.

Councilor Van Asselt said he had simply been trying to raise the policy question of whether the Council was comfortable with the proposed increase in property taxes. He said the Council hadn't yet said to Administrator Selig that it wanted something less.

Councilor Peter Smith said they would not be acting as Councilors if they reached conclusions first, and asked for the facts later. He said he would be happy to consider any reduction, if he saw there were appropriate facts to show the advantages and disadvantages of doing so.

Councilor Morong said he would like to see a zero increase in the Budget, but said Administrator Selig had shown pretty easily that this would be hard to accomplish with the items on this list. He said he also agreed with Councilor Peter Smith that the Council needed to look at the facts.

Chair Niman said he wanted to take Administrator Selig at his word on page 2 of his letter concerning the 2007 Budget, and the need for enhanced efficiencies or the cut of existing core services to fund new initiatives. He said he was looking for guidance as to how these things could be accomplished, so he could then make a value judgment as to what services should be provided.

He said he would like it if Administrator Selig could provide guidance as to how they could proceed along that road, understanding that in the end the Council might take what it already had, and be happy with it.

Administrator Selig noted there had been talk about consolidating the police departments, dispatch services, etc. He provide details on other things that could be done in terms of cutting services for the various departments, and what there implications could be. He said he was hesitant to go through the process of identifying \$470,000, but was willing to do this if requested. But he said he was not sure this was the best use of his time.

Councilor Julian Smith said the Council had learned that lesson when Administrator Selig had identified many possible cuts the previous year.

Councilor Leach asked if what Administrator Selig was saying was that there was nothing that could be done.

Administrator Selig said making the kinds of cuts they were talking about would result in consequences. He said it was not really prudent to make the smaller cuts in services, because this would compound the costs the next year. He said he did think they were stuck.

Councilor Peter Smith said the Town could save money by having garbage pickup once a month.

Councilor Van Asselt suggested there could be a volunteer fire department. He said the Town could have the best professional fire department in the State, but said if people couldn't afford to live here, what good was it.

There was discussion about the School portion of the Budget, which represented the largest amount of it.

Councilor Van Asselt said they didn't have the will to do the big things.

Councilor Peter Smith said he thought the Council had the wisdom not to do these things. But he said if someone puts these things on the table, there should be discussion on them. He said the Council knew a great deal about what needed to be cut, if it wanted to do it.

Councilor Leach said her sense was that the paralysis was coming from Administrator Selig, and said she couldn't accept what he was saying.

Administrator Selig said the Council could give him a dollar amount, and he would then come back with recommendations for cuts. He said he was not trying to be obstructionist. He noted there had been preliminary discussions on the Budget with the Council some months ago, and said he had come back with exactly the fiscal forecast he had provided to the Council at that time. He said it would have been more efficient if had gotten feedback on the Budget from the Council at that time.

Councilor Leach noted that the Council didn't know what the debt service would be, at that time. There was discussion on this.

Councilor Morong agreed they were stuck right now, and said he didn't think there was a lot that could be done to get this Budget down.

There was additional discussion on what could be done concerning the Budget, now and in the future.

Chair Niman said he didn't want Administrator Selig to develop a list of cuts, but said he did think a new approach was needed. He said he felt innovative things could be done, for example to leverage the existence of the University to the Town's benefit. He suggested as an example that the Town could say it would give him a tuition stipend if he agreed to be on a call force for the Fire Department, and said he would take this responsibility seriously. He said the same level of service could be provided in different ways, and said he was frustrated that the Town seemed to be stuck that there was only one way of doing things, and that making cuts meant there would be a decrease in services.

Chair Niman said he thought there had been a major shift concerning landlords in Town, who were now doing a better job of managing their properties. He noted other innovative things happening concerning addressing student behaviors, and said he also thought that if redevelopment of the Town took place, there would be a better environment for students, which would also lead to better behavior.

He said perhaps the Town would then need fewer police officers, or could do policing in a different way. He said he had no specific knowledge concerning this, but said he thought they needed to think more creatively about providing comparable levels of service at a lower cost, especially given the fact that the tax base was going nowhere, and the fact that residents wanted other services.

***Councilor Morong MOVED to adjourn. Councilor Carroll SECONDED the motion, and PASSED unanimously 7-0.***

Adjournment at 10:29 PM.

Victoria Parmele, Minute taker