

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

**DURHAM TOWN COUNCIL
MONDAY, DECEMBER 4, 2006
DURHAM TOWN HALL – COUNCIL CHAMBERS
7:00 PM**

MEMBERS PRESENT: Chair Neil Niman; Councilor Diana Carroll; Councilor Peter Smith; Councilor Mark Morong; Councilor Gerald Councilor Needell;; Councilor Julian Smith; Councilor Henry Smith; Councilor Catherine Leach

MEMBERS ABSENT: Councilor Karl Van Asselt

OTHERS PRESENT: Town Administrator Todd Selig; Business Manager Gail Jablonski; Fire Chief Peter O’Leary; Deputy Police Chief Rene Kelley

I. Call to Order

II. Approval of Agenda

Councilor Needell MOVED to approve the Agenda as submitted. Councilor Carroll SECONDED the motion.

Councilor Henry Smith MOVED to make Agenda Item IX B into Agenda Item X D. Councilor Morong SECONDED the motion, and it PASSED unanimously 8-0.

The Agenda as amended PASSED unanimously 8-0.

III. Special Announcements

Chair Niman noted that “Mr. Bear” was visiting his son’s second grade class, and as part of this was attending the Town Council meeting. He said his son would be writing about Mr. Bear’s experience at the meeting.

IV. Approval of Minutes

October 30, 2006 Minutes

Councilor Leach MOVED to approve the October 30, 2006 Minutes. Councilor Julian Smith SECONDED the motion.

Page 3, 7th paragraph, should begin “Councilor Needell said this was a monthly meeting held by the University Administrators involved with student affairs. He said this month, the meeting focused on Town/gown relationships, and...” The Town Administrator and Council Chair were invited, but were unable to attend.”

Page 10, 2nd paragraph, first sentence, should read “..the proposed elderly development at the corner of Bagdad and Canney Roads was...”

The October 30, 2006 Minutes as amended PASSED unanimously 7-0-1, with Councilor Morong abstaining because of his absence from that meeting.

October 30, 2006 nonpublic session.

Councilor Julian Smith MOVED to approve the October 30, 2006 nonpublic session Minutes. Councilor Needell SECONDED the motion, and it PASSED unanimously 7-0-1, with Councilor Morong abstaining because of his absence from that meeting.

November 6, 2006 Minutes

Councilor Needell MOVED to approve the November 6, 2006 Minutes. Councilor Morong SECONDED the motion.

Page 8, 3rd paragraph from the bottom, should read “...administration of the Churchill ice rink.”

Page 11, 4th paragraph, should read “...and said this difference would not have immediate implications for....”

Page 13, 4th paragraph, should read “..noted the traffic light at the corner..”

Page 16, motion in the middle of the page It was noted that there was no motion or second to go into nonpublic session. Administrator Selig said, however, that it was clearly intended to be a nonpublic session, given that there was a roll call vote taken.

The November 6, 2006 Minutes as amended PASSED unanimously 8-0.

November 6, 2006 Nonpublic Minutes

Councilor Needell MOVED to approve the November 6, 2006 nonpublic session Minutes. Councilor Morong SECONDED the motion, and it PASSED unanimously 8-0.

V. Councilor and Town Administrator Roundtable

Councilor Carroll noted that the holiday season was a good time to support a host of local stores where gifts and gift certificates were available, stating that money spent stayed in Durham a lot longer that way, and was good for local businesses.

Councilor Leach asked for details on the new water bills that would be going out to some Durham residents.

Administrator Selig said letters from the Public Works Department would be sent out shortly to residents with billing issues/questions, and he provided details on this. He said people who received these letters and had questions should call that department.

Councilor Morong said that Durham had dodged the bad weather during the hurricane season, and had also dodged problems with students downtown this fall. He said it was important to note what a positive development this was for the community, and he thanked the various people who had done a lot of hard work to make this happen within the past few years. He noted that police calls were down 55% so far for 2006.

He spoke about a recent editorial in the UNH newspaper that reminded students who were going to the UNH football game against the University of Massachusetts in Amherst to have a good time, but also to remember that any behavior problems that occurred there would find their way back to the University, where there would be repercussions for this behavior.

Councilor Needell updated the Council on upcoming Planning Board meetings. He said that on Wednesday, December 6, 2006, a person from the NH Estuaries Project would be making a presentation on stormwater management, as part of the Board's quarterly planning meeting. He also said that at the regular Board meeting on December 13, there would be the first public hearing on the proposed 78 unit elderly housing project off of Madbury Road. He noted that the site walk of that property would be held on December 9th.

Councilor Needell also said there would be discussion at the December 13th Board meeting on two proposed zoning district changes, and he provided details on this.

Administrator Selig spoke about the annual "Light Up Durham" event that had been held the previous Friday. He also noted that six members of the Council had recently met with John Cavanaugh, one of the two finalists for the University President position.

Chair Niman noted the hospitality of UNH at Huddleston Hall as part of the recent "Light Up Durham" event.

Chair Niman said the Economic Development Committee had met the previous week, and said the committee had hired a consultant to look at the idea of setting up a TIF (tax incremental financing) district to bring water and sewer up Route 108. He said the committee was committed to having that work done in January, and said it was tentatively scheduling a presentation on this to the Council in January.

Chair Niman told Council members that Town Planner Jim Campbell had reported that there was interest in the RFP that had recently gone out concerning the Durham Business Park. He said proposals were due by Jan 15th, and said the Economic Development Committee and then the Council would discuss them in February.

He also said Administrator Selig had provided some good news: that as part of the University's construction of a pipeline for methane coming from the Rochester solid waste facility, there could be the opportunity to route water and sewer along that same route. He said this would

mean that the wastewater interceptor with the bottleneck could be bypassed, which would help facilitate development in the MUDOR district that could expand the tax base.

Chair Niman said he had talked with Chuck Cressy, who had recently had lunch with Mill Plaza owner John Pinto. Chair Niman said he had been told that Mr. Pinto had hired a consultant to look at redevelopment ideas for the Plaza.

Administrator Selig said once the Budget process was over, he would be putting out information on the committee that would be put together concerning possible redevelopment of Mill Plaza. He said representation would be sought from a variety of groups.

Chair Niman said the next Economic Development Committee meeting would be held on December 13th.

Councilor Henry Smith said that DCAT had recently met, but he noted that there was not a quorum at this meeting. He said there was discussion of the content of broadcasting, including politics and partisan issues, but he said the issue was not yet resolved.

VI. Public Comments

Bill Hall, Durham, said he had listened with interest to the discussion of the Council on the Budget. He said the roads maintenance program shouldn't be used as the budget balancer under any circumstances. He also said the engineering discussion on the work to be done on Durham Point Road was not a complete presentation.

Mr. Hall said he was not happy with the presentation on the Spruce Woods proposal in the CIP for 2007. He said the Town had previously hired a consultant regarding the Town's water supply, who had never said that the Town didn't have enough water, as Mr. Lynch had said. Mr. Hall said Durham had enough water, and he provided details on this. He also said if there was a water issue, it was not something that the ratepayers should be paying for.

Mr. Hall said he was waiting for the Council to decide to do some forestry at the transfer station, noting the potential income potential from doing this. He said forestry could also be done at Jackson's Landing and the north 40 acres of Wagon Hill, as had previously been done at the Doe Farm, and said this would result in better growth of those forests as well as cash for the Town.

Mr. Hall noted that the Council had voted to make an appropriation for a school funding study about 3 years ago, but he said this was not followed through on. He also provided his perspective on the idea of decoupling bulky waste tickets from the access fee for using the transfer station. He also said that if something was optional concerning the Budget, it should be spring cleanup, not the roads program.

Dale Valena, 9 Bagdad Road, noted that she was a member of the Integrated Waste Management Advisory Committee, and she spoke in favor of putting the Climate change initiative on the Town warrant.

Steve Nadeau, 18 Emerson Road, said he had watched some of the recent meetings on the Budget, and said he was disturbed to hear the comment made by a Councilor that the Town Budget was only a small part of the tax bill, so it didn't really make much of a difference. He also noted a comment he didn't agree with, which said that by going through the Budget line by line, this would only save a little money.

Mr. Nadeau said the Town portion of the Budget was 25%, which was not a small percentage, and said he would like to encourage efforts to save money. He also noted that the School Board, which controlled the larger portion of the Budget, would be meeting on Wednesday to discuss their budget. He said they would be unveiling their 2007 Budget on December 20th, and he encouraged Durham residents to attend this meeting.

He said he believed trying as hard as the Council was to hold back spending, but said he didn't think they got the attention that the Council got. He said perhaps residents could encourage them to look for savings and efficiencies.

Shelley Mitchell, 5 Denbow Road, endorsed the idea of putting the Climate control resolution on the ballot for March, and said she would appreciate it if the Town would take a stand on this issue. She noted that Councilor Needell had come to the Integrated Waste Management Advisory Committee on this, and said the Committee was very supportive of it. She said they all needed to do all they could to reduce greenhouse gas emissions.

Scott Borek, Pine Crest Lane, said he was the president of the new 100 member booster group that had a strong interest in supporting the continued operation of the Churchill rink. He said the group was hoping that in 2-3 years, the facility could be self-supporting, and could even make a profit for the Town if managed properly. He said they were asking for the Town to help manage the rink, which ORYA was unable to do.

Mr. Borek said there was a petition with 400 names on it concerning this issue, as part of trying to build momentum and get the message to the Council and the general public that something that was important to the community was in jeopardy. He said there were a lot of people who were passionate about this issue, and who wanted to pitch in wherever they could because they felt the rink could be an important community center.

Councilor Peter Smith said he had great respect for the positions asserted regarding this by email.

Chair Niman said hopefully the Council could discuss the Churchill rink issue that evening as part of the Budget discussions.

VII. Unanimous Consent Agenda

No Unanimous Consent items

VIII. Presentation Items

- A. 2006 Audit Report – Greg Colby, Plodzick and Sanderson

Mr. Colby provided details from the 36-page audit report. He noted that as had happened in recent years, the Town had received an adverse opinion on part of the financial audit, in that it had only partially complied with the statement regarding doing an historical capital cost inventory. He explained that the report said the Town instead was capitalizing its assets going forward from 2004.

Councilor Peter Smith asked if when the decision was originally made to not follow Gatsby at all, and then shifted to doing the capital inventory moving forward, this was checked to see that there would not be an adverse effect on the Town in terms of the bond market. He also asked if anything had changed concerning this.

Mr. Colby said he didn't know of any adverse impact concerning bonding. He also said that concerning the decision to do a partial conversion, this allowed his firm to give the Town clean opinions, going forward from 2004.

Councilor Smith asked if the fact that the Town had not gone backward from 2004, in terms of doing capital inventories, had influenced its bond rating.

Mr. Colby said he didn't think this would have an effect, either way.

There was discussion with Mr. Colby about the figures concerning the fund balance.

Councilor Morong said there seemed to be a variety of opinions regarding how much fund balance the Town should have, somewhere in the 5-10% range. He asked Mr. Colby if his firm took a position on what would be a comfortable, proper fund balance for a town like Durham, with its form of government.

Mr. Colby said this wasn't an easy question to answer, noting that one had to look at a lot of factors in a community. He said the Durham Town Council's ability to raise money was certainly a factor that needed to be considered. He said he would recommend keeping the fund balance within the 7-13% range.

Councilor Morong asked at what point the amount of fund balance would start to affect the bond rating.

Mr. Colby said if the fund balance dropped below 7% one time, he didn't think this would make a difference, but he said if this percentage became a common occurrence, he would think this would start to affect the bond rating.

Administrator Selig noted that Citizens Bank couldn't provide a definitive answer to Councilor Morong's question either. He said the Town's fund balance of \$1.3 million did not have a negative impact on the Town's bond rating when it went out to bond this year, and said Durham still had a very high bond rating because of the Town's solid fiscal condition.

There was additional discussion on the current and projected fund balances, as well as about the fund balance in general.

Mr. Colby reviewed the other sections of the Audit report. He then read from his firm's summary letter, which included any significant findings of the audit. He said this was another good audit report for Durham, and said he was pleased to report that nothing in the audit had risen to the level where there was need to comment on it. He said there appeared to have been a seamless transition to the new Business Manager, in terms of getting the audit report completed, and he thanked Ms. Jablonski and her staff for their assistance.

There was discussion that this had been the 4th of 5 years where Plodzik & Sanderson was contracted to be the Town's auditor, and that the work would have to go out to bid after the 5th year. It was noted that the Town could contract with this firm again, if it desired.

- B. Presentation by Dr. Barrett Rock relative to the New Hampshire Climate Change resolution and action by Council to place said resolution on the March 13, 2007 Town Election Warrant.

Councilor Needell introduced Dr. Rock, noting that he was a faculty member in the Complex Systems Research Center at UNH, and was also on the faculty at the Institute for the Study of Earth, Oceans and Space.

Dr. Rock thanked the Council for inviting him to speak. He presented a slide presentation that provided detailed information that indicated that climate change was in fact happening. (See Carbon Coalition website –carboncoalition.org – for details.)

Dr. Rock described what the scenario was if carbon emissions remained high, and also showed a lower emission scenario where specific actions were taken to reduce CO₂ emissions. He said decisions, which would affect them all as well as their grandchildren, must be made now in order to address the problem.

He said New Hampshire was in a fairly unique position, with its primary, to influence the next election. He explained that he was present on behalf of the Carbon Coalition, to make this issue clearer to the public, and to ask that Durham consider placing this initiative on the Town warrant in March of 2007.

Councilor Henry Smith said the information that had been provided indicated there would be increases in heavy rainfall events, and also said higher temperatures could cause drought conditions. He asked if this indicated that there could be water problems for Durham and elsewhere in the future.

There was discussion on this, and on other impacts that were occurring in New England and elsewhere as a result of global warming. He noted among other things the changes in fall foliage and maple sugar production, which he said would only get worse.

Councilor Henry Smith pointed out the rapidly growing population in the region, and said there could be problems down the road in terms of the availability of water.

Dr. Rock noted that Durham had a great public transportation system, and said it be wonderful if this were utilized more by residents, and expanded.

Councilor Peter Smith asked if there were still any reputable scientists who questioned that global warming was happening.

Dr. Rock said the media presented the issue as if each side had equal weight, in order to provide balance, but he said there was no debate in the scientific community anymore as to whether global warming was happening.

Councilor Leach asked what the proposed resolution would ask the Town of Durham to do.

Councilor Needell said if the referendum passed in March, it would be in support of a Resolution that would be transmitted concerning certain action items. He said this was intended to be a general statement.

Dr. Rock said a key aspect of this project was to get the word out to the public on global warming in order to raise awareness of the issue, and to get people involved in taking the carbon challenge, and in terms of using energy efficient light bulbs, etc.

Councilor Leach asked what the process would be for the establishment of a local voluntary energy commission, and there was discussion on this.

Councilor Morong said he had followed this issue with great interest. He noted that a brochure provided from the Union of Concerned Scientists spoke about the impacts of global warming on ski areas, and he said some of this information was inaccurate. He said this tended to cast doubt on the veracity of the brochure itself.

Dr. Rock said this had been peer reviewed.

Councilor Peter Smith said regardless of the brochure, global warming was a real issue. He said he was not normally in favor of the Council doing what the State Legislature did constantly, passing resolutions. But he said from time to time there was a proposal that was suitable for a local government to take a position on.

He said this was one of those times, because the issue affected Durham residents in a global sense, but also affected decisions the Council was making with this year's Budget. He noted that he had raised the question regarding finding police cars that got better gas mileage, and said there were many things like this that a town could do to address global warming. He also said it was appropriate that Durham take this position, in that UNH had a research facility that was doing world renowned work on the subject of global warming.

Chair Niman thanked Dr. Rock for his eye opening presentation. He asked if Councilors felt there was a need to have a public hearing on this matter, and it was agreed that this was not necessary

Councilor Needell MOVED to hereby order, in accordance with Section 8.4 of the Durham Town Charter, that the “New Hampshire Climate Change Resolution” be placed on the March 13, 2007 Town election ballot. Councilor Peter Smith SECONDED the motion.

Councilor Peter Smith MOVED to amend the motion, by changing the first paragraph of the Resolution to read as follows: “To see if the Town of Durham urges the Congress of the United States to support effective actions to address the issue of climate change which is increasingly harmful to the environment and economy of New Hampshire and to the future well being of the people of Durham. The actions should include:”

Councilor Julian Smith SECONDED the motion, and it PASSED unanimously 8-0.

The motion as amended PASSED unanimously 8-0.

A. FIRST READING on Ordinance #2005-06 adopting proposed revisions to Ordinance #2005-06, Section F, relative to the Historic District Overlay District of Chapter 175 “Zoning” of the Durham Town Code

Mr. Campbell said proposed amendments to this ordinance had gone back in forth since 2005, and he provided details on this. He said the most recent changes had been approved by the Planning Board and the HDC, and the ordinance was now back before the Council.

He said the only change recommended in recent months by Councilor Peter Smith that didn’t make it into the revised document concerned wording on page 14 on “visibility from a public way”. He said the Planning Board had left that wording as it was.

Councilor Julian Smith MOVED to pass Ordinance #2005-06 on first reading as presented, and schedules a public hearing for January 8, 2007. Councilor Peter Smith SECONDED the motion.

Councilor Peter Smith asked about the provision on the non-zoning part of the process, concerning the Heritage Commission.

Mr. Campbell said if the Council voted to schedule a public hearing on the proposed Historic District Ordinance amendments, this provision would be passed along at the same time, so would also be addressed at the same public hearing.

The motion PASSED unanimously 8-0.

X. New Business

A. First Reading on ORDINANCE #2006-07 amending the following sections of Chapter 175 “Zoning” of the Durham Town Code pertaining to timber harvesting/forestry:

1. Article II, Section 175-7 “Definitions”
2. Article XIII, Sections 175-60, 175-61, and 175-65 “Wetland Conservation Overlay District”

3. Article XIV, Sections 175-69, 175-71, 175-72, and 175-75.1 (A&C) “Shoreland Protection Overlay District”
4. Article XX, Sections 175-109 (L) “Performance Standards”
5. Article XII, Section 175-54 “Zone Requirements”

Mr. Campbell said the Planning Board had done a detailed review of this issue, and as part of this had brought in foresters, wetlands experts, and others in order to determine where forestry should be allowed, and how perhaps the Ordinance could be improved concerning forestry. As indicated by Mr. Campbell the following proposed changes were made to the Ordinance:

- The broader term of “forestry” was put in the Ordinance instead of “timber harvesting”, in the following sections of the Ordinance:
 - Article II, Section 175-7 - Definitions section
 - 175-65 Performance Standards in the WCO District;
 - 175-75.1 Performance Standards in the SPO District;
 - Article XX Performance Standards; and
 - Table of Uses.
- Forestry was made a permitted use in the Wetlands Conservation Ordinance district and the Shoreland Protection Overlay district, where it had previously been listed as a conditional use in these districts.
- The performance standards for the WCO and SPO Districts, as well as in Article XX, were revised to reflect the fact that forestry must be done using best management practices set forth in the most recent best management practices manuals. Only in the SPO district was the language kept that forestry must be done by a licensed forester.
- The language in 175-69, Purpose (of the SPO District), was changed, to read “The Shoreland Protection Overlay District is an overlay district intended to protect the quality of the Town’s surface waters, in order to promote public health and safety, maintain wildlife habitat, and conserve and protect shoreline and upland resources. This is accomplished by maintaining and enhancing natural forests and shoreland habitat and buffers. (Underlined portion was new wording)

Mr. Campbell said the Planning Board had passed these proposed amendments recently, and was now passing them along to the Council.

Councilor Julian Smith MOVED to pass #2006-07 on first reading as presented, and schedules a public hearing for January 8, 2007. Councilor Morong SECONDED the motion.

Councilor Needell said these proposed amendments represented some major changes to the Zoning Ordinance, and involved a lot of discussion by the Planning Board. He said one big change, in the way the provisions were worded, was the level of faith being put in the forestry profession. He said he wanted to raise the level of awareness of the changes that were involved.

Councilor Henry Smith asked if it was correct that these changes would not help people get a foot in the door regarding clear-cutting.

Mr. Campbell said it was correct that this would not happen. He said the Planning Board had had a hard time separating forestry and timber harvesting from cutting the woodland buffer. But he said the State basal area law didn't allow clear-cutting in a given year, and said it would take several years for a site to essentially be clear-cut. He said the experience the Town had was that it would be rare that forestry would be used as an excuse for clearing a piece of land.

Councilor Henry Smith noted the best management practice manuals cited in the Ordinance, and asked who oversaw that these practices would actually be used.

Mr. Campbell said there had been discussion that State forestry people came in quickly when there were problems in terms of forestry practices.

There was discussion that ultimately, there was good faith involved, concerning practicing responsible forest management.

Councilor Peter Smith asked that there be a more precise explanation, for the upcoming public hearing, of the changes being made to the Ordinance, and also ask that the Council be informed on the debate that took place concerning these changes. He said this would be helpful for the Council as well as the public.

Councilor Carroll noted in response to Councilor Henry Smith's comments that when a property owner got an intent to cut permit, he was handed information on best management practices, so this was built into the process. But she said it could still happen that someone who wanted to cut trees might not follow the regulations.

Councilor Peter Smith said he would like to see a statement of the Planning Board's discussion regarding sanctions for improper behavior concerning forestry. He noted that this behavior had occurred at times in Durham.

The motion PASSED unanimously 8-0.

The Council took a break from 8:50 to 9:00 PM.

Councilor Carroll left the meeting during the break.

- B. Shall the Town Council vote to enter into negotiations for a successor employment agreement with the Town Administrator?

Chair Niman explained that one of the provisions of Administrator Selig employment contract stated that if the Council was interested in renewing his contract, and if he was interested in renewing his contract, this communication needed to occur by a certain date, in order to complete negotiations by March 2007.

Councilor Peter Smith MOVED to enter into negotiations for a successor Employment Agreement with Town Administrator Todd Selig. Councilor Henry Smith SECONDED the motion.

Chair Niman said this vote meant that negotiations with Administrator Selig could begin. He said he had discussed with Administrator Selig the potential process that might be followed. He provided details on this, and said it was the same model that had been used for the previous negotiations with Administrator Selig, where the Chair held discussions with the Town Administrator, and this then came back to the Council.

He said Councilors who had any recommendations for changes to the current agreement could send him this information, and he would then summarize it, for possible incorporation. He asked if this process was agreeable to everyone.

Councilor Needell noted that the statement that was being made that evening was somewhat stronger than had been described. He said it was stating that the Council wanted Administrator Selig to stay in his position, and that Administrator Selig wanted this as well.

The motion PASSED unanimously 7-0.

B. Other Business

Continued deliberation on the proposed FY 2007 Operating budgets, Capital Fund Budget, and 2007-2016 Capital Improvement Plan

Administrator Selig said that following the previous Council meeting, he had tried to find some ways to creatively reduce the impact of the Budget, without appreciably impacting services to residents. He said Town staff had taken this process very seriously, and he provided an overview of the approach that had been taken.

Business Manager Gail Jablonski passed out a series of spreadsheets that she and Administrator Selig had developed concerning possible approaches for reducing the impact of the Budget.

Spreadsheet #1 – Recommended Reductions and Changes

- A total reduction of \$177,614 to the General Fund resulting from some reductions in employee costs, especially for workers compensation decreases; also from a drop from a 4% pool of funds to a 3.5% pool of funds needed for contract negotiations. This amount also results from a decrease down to 4% for the budgeted increase for the Communications Center (Councilor Van Asselt had recommended this increase be reduced to 5%). Administrator Selig noted that the corresponding reduction in revenues as a result of these changes was \$51,064.
- A decrease of \$2,000 for MIS fire equipment maintenance
- A decrease of \$4,740 for telephone-network connectivity

- The \$100,000 Traffic & Transportation Study for 2007 in the CIP was removed.
- The proposed municipal network was moved out to 2008 in the CIP, for a savings in 2007 of \$106,000; some funds would need to be added to the Budget to compensate for not moving forward with that program in 2007.

Administrator Selig said these reductions would bring the projected tax rate down to 6.96%, which represented a 5.61% increase from 2006 to 2007.

Councilor Peter Smith asked whether the MIS item (\$106,000 for municipal network moved out to 2008 in CIP) was something that could use more study anyway.

Administrator Selig said there were in fact some questions that remained regarding that program, and said more data was needed in order to determine whether the hard wiring or satellite approach was better. He said he thought that given the concerns expressed regarding the budget, this project could be pushed off and studied further.

Councilor Morong asked if the 5.61% figure includes new moneys bonded for conservation projects. He said he was trying to get a sense of how much more it was costing the Town this year to do what it did last year.

There was detailed discussion on the numbers involved.

Administrator Selig said he would be comfortable with the Council adopting these reductions, which would result in no appreciable loss of services. But he noted that by dropping down the 4% pool for contract negotiations to 3.5%, this could impact these negotiations

There was discussion about this.

Spreadsheet #2 – Additional Suggested Reductions

- A reduction in debt service through a savings of \$200,000, if biannual tax billing begins in 2007 instead of 2008
- A reduction of \$68,850 if interest on the land conservation bond was charged to the Conservation Fund through FY 2016. Administrator Selig noted that this fund currently contained \$750,000.

Administrator Selig said these possible reductions would reduce the budget by \$268,850, which would reduce the tax rate with no appreciable loss of services. He said these reductions would bring the projected tax rate down further, to 6.63%, which represented a 0.61% increase from 2006 to 2007, down from the 5.61% increase that had been projected as a result of Spreadsheet #1.

There was discussion as to how payment of interest on the land conservation bond through the Conservation Fund would impact that fund over time. Administrator Selig provided details on

this, noting that the payments did decrease over time, and said this entire matter would have to be discussed with the Conservation Commission. He said he believed that the Conservation Fund could support this for 10 years, but would be depleted entirely at that time. He noted it was possible that additional land use change funds would be added to the fund during this time.

Councilor Needell said even though this would come out of a different fund, there would be an impact. He asked if the Council had the authority to do make this decision on its own.

Administrator Selig said the Conservation Commission would have to agree to charge these costs to that fund. He said he had spoken with two members of the Commission about this, and they were uncomfortable about the idea. He said they had said they would consider doing this if was a one-time occurrence, but were concerned about having it as an ongoing charge.

Councilor Morong asked if doing this would impact the Mill Pond dredging project.

Administrator Selig said there was \$35,000 budgeted for that project, and said this did not come out of the Conservation fund. But he said the Conservation Commission could choose to fund that project if it wanted.

Councilor Peter Smith said he had the same question as Councilor Needell concerning the idea of using Conservation fund money to pay the interest on the conservation bond.

Spreadsheet #3 – Additional Suggested Changes.

Administrator Selig explained that as part of this spreadsheet, some funds were added back into the Budget and CIP. He noted that part of the Councilor discussion on the Budget involved programs that individual members would like to see included in the Budget, but which were not currently in it. He provided details on each of the following items:

- \$100,000 was put back in the Budget, reflecting a reduced use of fund balance of that amount
- \$83,700 was put back in the 2007 CIP for the roads program – for resurfacing work on Ambler Way and Gerrish Drive
- \$75,000 was put back in as a contingency - \$35,000 to replace chiller tubes at the Churchill rink if the rink was abandoned by ORYA; and possibly \$40,000 to hire a recreation professional midway through the year, depending upon the future disposition of ORYA. Administrator Selig said it would have to be determined whether the funds would be for rink manager, a recreation director, etc.

Administrator Selig said these possible changes, in addition to the previous reductions listed, would result in a 5.31% change in the Budget from 2006 to 2007.

Councilor Henry Smith asked if fixing the chiller tubes would prevent the closing of the Churchill rink.

Councilor Leach said if the Town played a greater roll in the rink, she didn't think it would need to close. She explained in detail her reasons for believing this.

Councilor Peter Smith asked what was meant by “disposition of ORYA”.

Administrator Selig said it was unclear how the situation with ORYA would pan out. He provided details on the possible ways there could be financial assistance for the organization, and said the Town was waiting for ORYA to come forward as to how it could best be helped.

There was discussion on this.

Councilor Leach said her opinion was that ORYA would survive, and said she felt the organization was working hard to bring itself back to where it need to be. She said the Parks and Recreation Committee was looking at possible new models regarding hiring a recreation director, and said there could be a model where there was a recreation director but ORYA would still exist. She said those two things might not necessarily be tied together.

She said after the discussion about the skating rink, and if the Council decided it was an important resource for the community, the \$40,000 could possible be put toward having a rink manager. She said ORYA was unable to continue managing the rink. But she said there were people who felt it was an important resource, and she explained that there was a lot of programming currently going on there. She said because the rink was already owned by the Town, it seemed like it would be a logical step for the Town to manage it.

Councilor Leach said there was a rink committee, as well as the new hockey booster group, which was happy to help in terms of providing in-kind services and maintenance needs. She said Department of Public Works staff had looked at the site and had met with the current rink manager to see what items could be put off. She said the chiller tubes were the number one item that needed to be addressed right away.

Councilor Leach provided a spreadsheet of ORYA FY 2007 Financial Projections vs. Budget as of December 4, 2006, and she went through the information on it. She said it was important to determine whether the rink could be a break-even proposition, or perhaps even make some money, and said that otherwise, they didn't want to bring this idea forward to the Council. She said it was hoped that if some money were made, it would go back into the rink itself, for maintenance, etc.

She said ORYA had started doing some things concerning revenue generation, and said she felt if the Town took this on, the rink committee could be responsible for generating even more revenues.

Councilor Needell said what this spreadsheet was saying was that the Town could assume responsibility for the rink at essentially no cost.

There was discussion about this.

Administrator Selig said the Town would set up an enterprise fund for the rink, as it if were a business. He said the long-term goal was to not impact the Town's General Fund. He said if revenues couldn't meet the expenses, the General Fund would have to provide funds.

Councilor Peter Smith noted the projected rental income numbers of \$65,850 and \$62,000 respectively for ORYA in 2007, and he asked how these numbers compared to those from 2006.

Councilor Leach provided details on this, and on where the 2007 figures had come from.

Councilor Peter Smith asked if there was any data to show that these revenue figures were fully reliable.

Councilor Leach said she believed they were reliable, based on applying an hourly rate to the number of hours scheduled for usage of the rink.

Councilor Smith said there needed to be a pretty high level of reliability of this data.

Councilor Leach said she could get further details on this.

Chair Niman suggested that the organizations that had been renting ice time could be contacted in order to get this data.

Councilor Leach said one of the reasons she felt this issue needed to be brought forward quickly was that the word was out there that the rink would close. She said there was concern that the groups renting usage of the rink would decide to go someplace else, and said she would therefore like the Council to be able to make a statement that the rink was viable, so revenues wouldn't be lost.

Councilor Peter Smith said assuming that the revenue was reliable, he would like to know what steps had been taken up to this point to privately raise the money needed to repair the rink.

Councilor Leach said the sense was that there had not been a lot of that happening, and said this was probably why ORYA had said it couldn't run the rink anymore. She said she was not sure whether ORYA had any additional fundraising planned beyond what it already was doing.

Councilor Needell said the largest projected rent payer for 2007 on the spreadsheet was ORYA, and asked if there would be a substantial change in that figure.

Councilor Leach said ORYA would still have its hockey programs.

Mr. Borek said he was not speaking for ORYA, but said he thought ORYA had handcuffed itself concerning fundraising because of its own rules. He said the ORYA hockey programming would still exist, and said he felt the changes would actually strengthen the organization. He noted that York, Maine had already said it wanted to rent the skating rink for 2008.

Mr. Borek said when the skating rink was much younger, it was a good source of revenues. He said his understanding was that the entire ORYA program was grouped as one fiscal budget, and said perhaps the rink revenues had paid for other things in ORYA. He noted that he hadn't been overly enthusiastic about fundraising for something that wouldn't necessarily go toward the rink.

He said the boosters organization was motivated now, and said he thought there were many opportunities for fundraising beyond what had been done so far.

There was further discussion on this issue.

Chair Niman said the boosters had shown they were motivated to form an organization to raise money, etc. in order to make the rink viable.

Councilor Peter Smith said there had to be some sense of how this was going to be organized. He said ORYA had to either be in or out.

Councilor Leach said ORYA was out, concerning the rink, and said it had to be because it couldn't afford to run it.

Councilor Henry Smith MOVED to extend the meeting past the 10:00 pm adjournment time. Councilor Julian Smith SECONDED the motion, and it PASSED 7-1, with Councilor Morong voting against it.

Councilor Leach said the basic premise was that the Churchill skating rink was an important asset to the community, as one of the only facilities the Town had for recreation. She said even though some mistakes had been made along the way, she was pleased that people had come together on this. She said ORYA and the rink committee wanted this to work, and she said the idea was a good opportunity for community cooperation. She said no one was asking for a new building. They were just asking that the Council say it would try this idea, and if things were a mess in 3 years, the whole thing could be revisited.

Councilor Needell said it was an exciting proposal, and said it seemed that something could be done that would benefit everyone. But he wanted to be sure what the Town would own if on March 31st, 2007, ORYA was out.

Councilor Leach said these were details that would have to be worked out before March 31st. She said the Council could make a statement now that it wanted to go forward with this idea, and if there was a big mess on March 31st, it could take stock of the situation then.

She said the rink manager position, which would involve maintenance, scheduling, etc., could come under the Public Works Department. She said ORYA would become a tenant of the rink, and would continue with the same programming it currently had.

Administrator Selig said the area could be used for Town recreational programming in the summer, including summer camps and a possible skateboard park.

Councilor Leach said it was agreed that there could be summer rentals that would produce more revenues.

Chair Niman suggested that the Council think about this concept for a week.

Councilor Peter Smith asked if it could be determined more precisely what the concept was, how much would need to be spent, the justifications for doing this, what the risks and benefits were, etc. He said his interest was in those things which the Town Council had responsibility for, and said once these things were known, then it could be determined whether the Budget should be raised accordingly.

Councilor Needell said from what was before the Council, it wasn't clear what was being asked for. He said the intent was that this concept not actually cost the taxpayers any money, and said it was important to structure things in a way that made this very clear. But he said the Town would still be taking a risk, under any circumstances.

There was further discussion about this issue.

Councilor Niman said he thought that by April 1st, they could be fairly confident in terms of knowing about revenues from the rink. He said it wasn't clear that the costs would be known with certainty by then. He said he thought the strategy should be to minimize the number of dollars put into the rink until they saw how things shook out. He said it had been hoped that not much money would have to be spent on the rink, but he said didn't think they would be able to avoid having to spend the money on the chiller tubes.

There was discussion on further improvements that would be needed for the rink.

Chair Niman said if the figures provided by ORYA were correct, the ice rink should be able to generate enough dollars to reinvest in it. He also said the booster organization, partnering with the Town, could make the rink a nicer environment for everyone. He said he thought there was some risk to this, but said he felt the risk could be mitigated as much as possible.

He said the ice rink was an asset to the community, and said he thought it was the Town's responsibility to provide the foundation for future programs that motivated parents could create and be proud of.

Councilor Peter Smith said he wanted to see the dollar figures of what this would cost.

Spreadsheet # 4 –Proposed Changes to the 2007 Proposed Budget and CIP for the Water Fund

- \$930 reduction, resulting from decrease from 4% to 3.5% for the pool of funds needed for contract negotiations
- \$21,333 reduction, resulting from payment of a portion of the Spruce Hole Study with UDAG funds
- \$10,000 increase, for reduced use of fund balance

Administrator Selig said this would result in a net Water Fund Budget and CIP reduction of \$12,263.

Spreadsheet # 5 –Proposed Changes to the 2007 Proposed Budget and CIP for the Sewer Fund

- \$5,559 reduction, resulting from decrease from 4% to 3.5% for the pool of funds needed for contract negotiations
- \$32,000 reduction by paying for the Town portion of the West End capacity investigation with UDAG funds.
- \$25,000 increase, for increase in funds set aside for contingency

Councilor Leach said she appreciated it that Administrator Selig and his staff had brought these possible changes forward to the Council.

Councilor Morong said he had talked with Administrator Selig about the Budget and CIP and said he appreciated it that some of his own proposals were included in these spreadsheets.

Councilor Morong MOVED to adjourn the meeting. Councilor Leach SECONDED the motion, and it PASSED unanimously 7-0.

Adjournment at 10:34 PM.

Victoria Parmele, Minute taker