

This set of minutes was approved at the TC meeting on August 6, 2007

**DURHAM TOWN COUNCIL
WORK SESSION ON 2008 BUDGET
MONDAY, JUNE 25, 2007
DURHAM TOWN HALL - COUNCIL CHAMBERS
7:00 PM**

MEMBERS PRESENT: Chair Neil Niman; Councilor Mark Morong; Councilor Karl Van Asselt; Councilor Jerry Needell; Councilor Diana Carroll; Councilor Julian Smith; Councilor Henry Smith; Councilor Cathy Leach; Councilor Peter Stanhope

MEMBERS ABSENT: None

OTHERS PRESENT: Town Administrator Todd Selig; Business Manager Gail Jablonski

I. Call to Order

Chair Niman called the meeting to order at 7:04 PM.

II. Approval of Agenda

Councilor Needell MOVED to approve the Agenda as submitted. Councilor Stanhope SECONDED the motion, and it PASSED unanimously 9-0.

III. Budget Discussion

Chair Niman said the idea that evening was to talk about the 2008 Budget, and possible avenues the Council might pursue in terms of guidance given to Administrator Selig concerning it. He said Councilors could propose ideas, and if consensus was reached on some of them, a list of ideas could be developed, and could be pursued further.

Councilor Leach asked if there were any currently open positions that could remain unfilled.

Administrator Selig said there weren't any at the moment. He said a decision hadn't been made yet concerning the fire marshal position, and said there might possibly be a police officer vacancy at some point. He also noted that while the wastewater treatment superintendent would be retiring, this was a position that would have to be filled.

Councilor Needell asked Administrator Selig if there were any items in the current 2007 Budget that he was rethinking, in terms of whether they belonged there.

Administrator Selig went through a list of items he had put together on potential cost savings and revenue opportunities. He said the transfer of dispatch services to Strafford County could result in a potential savings of \$250,000 a year. He also said the Town was encouraging developers to

come forward with proposals to increase the tax base, at Stone Quarry Drive, Mill Plaza, and a variety of other areas in Town.

Administrator Selig also provided details on revenue being received, and anticipated in the future at the Depot Road parking lot. He explained that currently, all of the revenues were earmarked for future remediation at the site, but said if a percentage of it were devoted to offset the tax burden, the Town could receive about \$25,000 a year in revenues from the parking lot, which would increase over time. He also noted that UNH was creating an area nearby which over time would become a transport hub, and said the revenue potential of the lot, depending on how it was developed and managed, was high.

Councilor Stanhope asked what the difference was between the yield on a capital reserve fund as compared to what the Town would pay on bonded debt. He said he often had wondered if would be more appropriate to take all the funds and retire the existing debt so the Town wasn't paying all the interest. He said perhaps it should be looked at whether it would be more appropriate to pay the debt down, and bond at a future date.

Administrator Selig said the fund balance served a useful purpose, and there were several reasons for having it. He said it allowed the Town to have flexibility in terms of cash flow, relieving some of the urgency to go out and bond when waiting for taxes to come in. He said it also helped keep the tax rate for the local portion of the taxes at a reasonable and constant level. He said that without it, the tax rate would spike, then drop, then spike again. He provided details on the fund balance fluctuations over time, and noted that a level of \$1.5 million was at the low end of the range provided by the State Dept. of Revenue as good fund balance level for a town the size of Durham.

Councilor Stanhope asked if there was data from the NH Municipal Association to determine where Durham was in terms of bonded debt compared to other towns of a similar size, noting that this usually had a significant impact on the tax rate.

Administrator Selig said this particular analysis hadn't been done.

Ms. Jablonski said the RSA allowed up to 3% debt, and Durham had less than 1%

Administrator Selig said the Town had three funds that it bonded: the general fund and the water and sewer funds. He noted that the sewer fund in particular had a good deal of debt at present and said that while the Town could pay this down with general fund money, the taxpayers might not want this.

Councilor Carroll said that in terms of bonded debt, it was expected that in 2008, \$221,000 would be paid in interest. She asked if there was any way, if some money was available, that this money could be put to paying off those bonds.

Administrator Selig said Town staff was looking at total bonded indebtedness. He said that over the past six years the Town had refinanced its debt to take advantage of better interest rates. In answer to Councilor Carroll's question, he said the Town could either drop the fund balance to a problematic level, or raise the tax rate to pay off what had been borrowed.

Chair Niman said the Town could also redirect revenue sources. He noted that the land use change tax went to the Conservation Commission, and said these funds could instead be dedicated to retiring the debt or could go into the general fund.

Administrator Selig provided details on the land use change tax, explaining that 100% of these funds in recent years had been put into a conservation fund, to be used by the Conservation Commission for conservation projects. He said these were funds that the Town had therefore not been able to capture in order to build up the fund balance. He noted that there was currently about \$560,000 in this fund.

Councilor Van Asselt said, regarding debt service, that the water and sewer fund debt service was paid by water and sewer users, so this couldn't be mixed with the general fund debt service. He said the only way to reduce the water and sewer debt service was by increasing the rates. He also asked, regarding the general fund debt service, whether paying 10% of the operating budget for debt service was a normal percentage for a town, or was too much.

There was discussion about this. Administrator Selig said the benchmark the Town had used was the total amount it was able to borrow, and he said the Town had tried to stay with about 1%.

Councilor Van Asselt said that in terms of developing guidelines this year, the question was whether this was the year to ask Administrator Selig to say no to increasing the debt service. He noted that he didn't see how the debt service could actually be decreased.

Councilor Morong asked if that included TIF's.

Councilor Van Asselt said the question was how much more the Town was going to bond, and if it was going to say it couldn't buy an item like a truck unless it could pay cash for it.

Administrator Selig said it would make sense to look at the fiscal forecast. He said if they took the approach that they wouldn't bond anything new, the debt service would start to trail off. But he said the challenge was that there were infrastructure needs the Town had to address in order to be able to move forward. He said if the Town tapped only reserve funds, they would be depleted quickly, and the Town would then be dealing completely with debt service.

He said the approach he favored had been to look at the particular item, and what funding plan made sense. He noted that the Town at one time had bonded the purchase of police cruisers, but had decided to purchase them outright because this was less expensive over time. But he said for some big-ticket items, like a new incinerator, there was no reserve fund that could be tapped. He said there were also water and sewer projects that needed to be addressed, and said he would recommend that these be bonded.

Administrator Selig said a better choice would be to not take on any new interest-based projects, until the tax rate was brought down to a level that they were all happy with. He provided details on this.

Councilor Carroll said it would be good if the Town could put money in reserve fund accounts to

purchase equipment, land, etc. instead of bonding.

Administrator Selig discussed the idea of reserve funds, providing details on some of the reserve funds the Town currently had, including the parking capital reserve fund, most of which went back into the general fund to offset taxes; and the water capital reserve fund and the wastewater capital reserve fund, which were used to fund major infrastructure projects. He also spoke about UDAG funds, which could be used for any kind of project involving economic development and tax base enhancement.

He said all kinds of reserve funds could be created, but he noted that some taxpayers might not benefit from the things purchased with these funds, so they might prefer to bond a project. He said there were towns that created reserve funds for various things, but said Durham had generally taken the bonding approach. He also noted that the Town didn't really have a lot of reserve funds that weren't being tapped.

Concerning the fund balance, Administrator Selig said the plan was to use \$220,000 of fund balance to achieve the tax rate, which would drop the fund balance down to \$1.2 million. He said he was comfortable with going to that level, but didn't want to go below \$800,000

Councilor Stanhope asked if it was reasonable to consider freezing contributions to the reserve funds for a period of time during which the Town hoped to build its tax base, and use this as a way to stabilize the tax rate. He said he realized some of the fund balance would be eroded.

He noted that people were hard on the School Board because the cost per student was higher than the State average. But he said Durham's tax rate was higher than other towns of its size, which suggested that the Town was performing poorly. He said he didn't think things could continue on as they had been. He said it would be radical to consider reducing the tax rate, but said he was uncomfortable with the amount dedicated to debt service. He also suggested that the proposed \$255,000 funding regarding a new fire station might be better used to help pay off one of the bonds, which would save over \$50,000 in interest over a period of 5 years.

Chair Niman asked if the Town would have the flexibility to say the University could have half of the money back, and the Town could have its half back and put that money into the general fund.

Administrator Selig said this was something that could be talked about, and he provided details on funding issues regarding the Fire Department. He said there were some other factors that were involved when looking at the equalized tax rate. He provided details on the impacts of having the University in Durham, including the student population and the daytime population increase resulting from the University. He said in order to accommodate the increased demand, Durham had had to bolster various Town departments.

He noted that Dartmouth College, located in Hanover, NH, paid taxes on certain things, while the University of NH in Durham did not. He also said Durham was in the top third of NH towns in terms of the tax rate, but was in the bottom third in terms of equalized valuation. He said the Town was not doing enough to broaden the tax base in order to try to bring the municipal side of the tax rate down. He said a challenge, because of the school funding formula, was that the more

the Town broadened the tax base, the more it would pay into the school side of the equation. Administrator Selig also said if one looked at Durham's equalized tax rate, it was lower than that of Dover and Portsmouth, and close to that of Somersworth. He said the Town was doing well compared to some of the larger, more complex communities that had municipal water, sewer, full time police and fire departments, etc. He said without the University, the Town would not be likely to have these things, but also said that without the University, Durham would be a very different place. He said there were particulars in Durham that made it hard to compare it to other communities.

There was discussion on the fire station capital reserve fund. Administrator Selig said the Town had been putting money into this fund little by little over time, and said it was expected that the University would contribute equally over time. It was noted that the Town had not put any funds into this reserve fund in 2006 and 2007.

Chair Niman passed out a document from the NH Municipal Association web site, which showed NH towns with populations between 5,000 and 10,000, and did a break down on what they spent on salaries, etc. He said this data bore out what Administrator Selig had said, that Durham spent substantially more than other towns, largely in support of the University. He said this was what drove the tax rate, and he said the question was what the Council could do about it.

There was discussion on the number of police officers in Durham, the number in other communities that were the home of a university, and the idea of combining the Town and University police departments. Councilor Needell noted that there had been discussion on this idea many times in the past.

Administrator Selig said it had long been contended that a combined police would save money for both the Town and the University. But he said there hadn't been interest in this idea by the University.

Chair Niman said the question was how the University could become interested in the idea. Administrator Selig said Durham had far more calls for service per officer, stating that the data justified more police officers, not less. He said the Police Department had asked for more officers, but the Town had said no. He also noted that the Town heard more and more from the neighborhoods about traffic problems.

Councilor Needell said there was no doubt that Durham's tax rate was high compared to other towns of its size, but he said the question was what should be done about this. He said unless they were willing to make substantial changes in the services that were delivered, the budget would not be impacted. He said they might decide over time to hold down the debt service, and hold down the funding of projects, but he said this would be a slow process.

He said that unless five Councilors directed Administrator Selig to make some fundamental changes in the services the Town delivered, things wouldn't change tremendously. He said he expected that Administrator Selig and Ms. Jablonski were constantly trying to keep costs down.

Administrator Selig said he had brought numerous plans forward that would represent significant savings, but said these were not accepted by the Council.

Councilor Leach said that was not a fair statement, noting what had happened concerning the 2007 Budget.

Councilor Van Asselt said the bottom line was that the largest industry in Durham didn't pay taxes, which was not the case in surrounding towns. He said they couldn't make a significant change in the tax rate by nickel and dimeing, and said they seemed to have the following choices: to finally ask the University to pay its fair share, to broaden the tax base, or to make wholesale structural changes.

Councilor Needell said a third choice was to not change the tax rate. He said there were people out there who were not complaining, and who did not want to see these other choices imposed. He said the Council was going to have to decide who it was going to make happy, in its decisions on the Budget.

Chair Niman noted that the Town had hired a consultant to do an analysis of incremental costs for police services, and the consultant had come up with a figure of \$500,000. He said he would like the Town to generate a bill for this amount, stating that the data was fairly clear in terms of the number of officers, arrests, etc.

Councilor Morong asked if the Town could send the University a bill as well regarding the Spruce Hole aquifer.

There was discussion on whether Kittery, Maine received funds to offset impacts to the town from the shipyard. Councilor Stanhope noted that Portsmouth had received funds when Pease Air force Base was located there.

Administrator Selig said Durham was a complex community, and said residents had a high level of expectation in terms of the services that were provided. He provided details on this, and stated again that it was a different town than it would otherwise be if the University was not located there.

Councilor Morong said he would be willing to look at what Chair Niman had suggested if it could be shown that the University was costing the Town money.

Administrator Selig said the four-part strategy was to increase efficiencies in Town departments, to mitigate future increases in costs, to look at the agreements with the University, and to broaden the tax base. He provided details on the fact that Durham was doing somewhat better than other towns in the area, in terms of agreements that had been negotiated with Town employees.

Councilor Morong said it would be interesting to see what the reaction was, by various entities to the Town's desire to get some equity with the University.

Councilor Leach said she was in agreement with the concept Chair Niman had described, and said discussions with the University should happen. But she said she was not in agreement with the idea of sending a bill.

Councilor Carroll asked if this could be incorporated into the negotiations with the University.

Administrator Selig said it was very helpful for the University to know that the Town Council was enthused about doing something on this issue, and was focusing closely on it. He also said he would be meeting with the consultant and Ms. Jablonski to see if the \$500,000 number was real. He said something that would need to be evaluated was what parts of Police Department operations were driven by the University. He said another question was what part of the taxable value of downtown Durham was driven by the presence of the University.

Councilor Morong said if the data on the police force could be substantiated, this might bring the University closer to the idea of a joint police force.

Councilor Needell said in narrowly focusing the discussion on police costs and reviewing the numbers carefully, it was worthwhile for the Town to include the University in this discussion. He said the Town believed there was a true imbalance, but he said the Town needed to be sure the positive impacts that came from tax-paying landlords and businesses that depended on students was factored in.

Councilor Van Asselt said looking at this issue concerning UNH would be a good start. He then asked whether there were any structural or process changes that could be made so that the property tax rate and the Town budget didn't have to rise. He said he would like to see a direction from the Council on this if there was consensus.

Administrator Selig said right now, he would say no. He noted that even if nothing new were bought, wages and benefits would still be going up. He provided details on this, and there was detailed discussion with Councilors. Administrator Selig said the budgets he had been creating didn't have excess in them. But he did note that if the dispatch center transition were successful, there would be a \$230,000 savings. He also noted that some of the \$70,000 used for maintenance of Fire Department vehicles might be saved if that maintenance was done by the Public Works Department.

Councilor Van Asselt said that was a good answer. He said he had thrown this idea out on the table because he would love to see what the options might be to put together the 2008 Budget using the tax rate for 2007.

Administrator Selig said the University would be moving from covering 48% of the cost of running the Fire Department up to 50%, so the Town would be picking up \$54,000. He also provided details on upcoming contract negotiations, where among other things, they would be looking at health insurance, including co-pays. He provided details on this.

Councilor Leach noted that Administrator Selig had said that one of the options was that there would be no new projects. She asked what this referred to.

Administrator Selig said he was referring to capital improvement projects. He noted as an example the Town's contribution to a new library, and said this was an outstanding question. He said another question was whether the Town was going to do something for the Mill Pond

Center, noting that funds had been budgeted for this. He also said there were projects such as paving the parking lot for Wagon Hill Farm, the project for Jackson's Landing, development of athletic fields, renovations at Town Hall, etc.

Councilor Leach said it seemed like a lot of these were placeholders. She asked if they could work with Councilor Van Asselt's idea, but perhaps say there would be a 2.8% increase in the Budget, and Town departments would have to be deal with this. She asked if this was something that was realistic.

Administrator Selig said it would be a useful exercise to have the Council ask what the budget would look like, and what it would mean if this were done. He said he would be happy to work on this, and provided details on what would be involved.

Councilor Needell said what Councilor Leach had suggested was a good place to start. He said it was important to separate out what would increase taxes from what would reduce taxes. He said spending was a whole different discussion, and he provided details on this. But he said trying to take 2.8% which came from the 85% portion of the budget and save it in the other 15% essentially translated to about a 10% cut in the 15% portion of the Budget. He said he felt this was the wrong approach to take, and said it was not fair to expect the 15% of the budget to absorb anything from the 85% side. He said he would rather see the Council attack programs if reductions were needed.

Administrator Selig said the more workable set of priorities for him would be to provide \$233,000 for salaries, and then provide a 3% increase for the non-personnel parts of the budget.

Councilor Carroll said that regarding services, she would like to suggest a change in Durham that she thought would definitely benefit the budget without adversely affecting residents economically. She prefaced her idea by noting that the way people paid for some things had changed in the last 15-25 years. She gave as an example the fact that people now paid for television cable service, when they previously did not.

She said she would like the Council to take a look at trash pickup in Durham, which had come to be seen as another utility. She said residents paid for it out of their taxes, but she said most people didn't know how much was paid for this service.

She said the pay-as-you-throw program was doing well in quite a few NH communities, including Dover, Exeter and Newmarket, and said towns that had used this system hadn't changed their minds. She said she heard people liked it, and she said it was a fair way to deal with trash. She noted that the idea had been brought forward in Durham about 10 years back.

Councilor Carroll noted that people on Town water had meters and paid for the water they used. She said they had some control over how much water they used, and said Durham could deal with trash in the same way. She said she felt this idea fit with the Budget discussion, and said 10 years ago, such a program would take about \$193,000 per year out of the Budget. She proposed that the Council look at this program, and see how it might fit into the community and the Budget.

Councilor Morong said that regarding the idea of no new spending, he wanted to note that the Town got good value out of its vehicles. He said when Town staff said it was time to replace them, this really was the time to do this.

Administrator Selig provided details on the system in place concerning replacement of Town vehicles.

Councilor Needell said that as a resident, he had always wondered why Durham didn't have a pay as you throw program. He said as a Councilor, he still thought it was a good idea, and said he thought the \$193,000 number would probably be higher now. He said the question was how this translated in terms of reducing the tax bill, and if the figure was reasonably close to the cost of bags. He said if it wasn't, people wouldn't go for it because they would see it as a back door tax. He said numbers were needed for a discussion on this, and said if the numbers came out close, he would be all for it.

There was discussion by Councilor Carroll and other members of the Council on various aspects of this idea.

Chair Niman said he was not in favor of the pay as you throw system, noting he had used it when he lived in Barrington. He said it was very inconvenient, and also said there were costs that he didn't think were outweighed by the benefits. He noted, concerning the analogy to water usage, that while some people were on Town water, others were not. He also noted that Durham already had a good recycling program, so the question was why create a new system that imposed costs on people.

Councilor Leach said she believed the Council was at a point in the meeting where it could make some suggestions to Administrator Selig as to how to proceed concerning the 2008 Budget.

There was consensus on the Council to pursue the incremental cost to the Town of hosting the University, regarding Police Department costs.

Break from 8:40 – 8:45 pm

There was consensus that the Council was asking Administrator Selig to see what the 2008 budget would look like if it didn't rise by more than \$231,000 (the fixed personnel costs resulting from union contracts)

Councilor Van Asselt said that would be level A, and said level B would be what else could be done, and what percent it might cost in addition, to play with the 15% Councilor Needell had identified.

Councilor Needell said his understanding was that this would mean saying to Administrator Selig said the Council expected the Budget to rise by \$231,000, and then wanted to see what a Budget looked like that accepted nothing above that. He noted that Administrator Selig had said he would be more comfortable with allowing 2-3% growth within the 15% portion of the Budget as well.

Councilor Van Asselt said another area where there was consensus was continuing to pursue the regional dispatch center, etc.

He said a fourth area to consider was for Administrator Selig to develop scenarios for putting no money into the capital reserve funds, and instead applying that money to the tax rate.

Councilor Stanhope said regarding # 4 that they would just be looking for postponement of contributions to the reserve funds until the Town could grow the tax base and stabilize the tax rate. He said he was impressed that the CIP went so many years out, but he said everyone faced short-term budget crises, where adjustments needed to be made before spending could resume.

Councilor Morong said he would like more detail on this, to single out funds the Town should be contributing to, and those like the Fire Department capital reserve fund, which might not need as much money in them right now.

Administrator Selig said the big reserve fund was the one that received the land use change tax money. He said if the Council wanted this money to go into the General Fund, it would need to vote on a Resolution to make this change.

There was discussion about this.

Chair Niman asked if Councilors were comfortable with the ideas that had been suggested.

Councilor Needell said he was not comfortable with the idea of putting the land use change tax revenues into the General Fund.

Councilor Van Asselt said he would like to see numbers on the pay as you throw idea.

Administrator Selig said there had been no lack of good data on this when it was discussed in 2001-2002, but he said people didn't support the idea.

The Council agreed to look at the pay-as-you-throw idea.

Councilor Needell stressed that when it actually came time to look at the proposed 2008 Budget, the Council would have to look at each item, how it impacted the budget, and whether the Council would allow it to impact the tax rate.

Councilor Van Asselt said he had overstated the issue of new bonding compared to using cash that was in reserve funds, and said it was a balance. But he said he still felt that for the short-term, 2008-2009, the Town should resist doing new bonding.

Councilor Morong said he was hearing this from Administrator Selig anyway.

Administrator Selig said it was likely that there would be some new development coming on line within 2 years, but he said the Town needed ways to make it until then without significantly impacting the tax rate.

Chair Niman said when the Capital Improvement Plan came before the Council, the Council would then have to say it could do without certain things.

Councilor Van Asselt noted that Administrator Selig had said the Town had to figure out a way to look at interest-based projects that were proposed. He referred to the Wiswall Bridge project, and the funding gap the Town might wind up being responsible for filling, and said the Council would have to take responsibility for saying no to some things like this.

Administrator Selig said the Councilor could start with considering whether the bridge needed to be replaced.

Chair Niman said there were three options regarding the land use change tax fund issue – having 100% of it go to the conservation fund; having 50% of it go to the conservation fund, and 50% go to the general fund; and having 100% of it go to the general fund.

Councilor Needell said before having this discussion, it would be appropriate to have the Conservation Commission included in the discussion as to why they should or shouldn't continue to receive those funds.

There was discussion about this.

Councilor Julian Smith said he had gone to the Conservation Commission meeting the previous year after the Council asked if the money from the funds could be used to pay the interest on the conservation bond. He noted that the Commission had agreed to do so for one year, but was very protective of that fund, and he provided details on the discussion at that time.

Councilor Van Asselt said there was no reason not to ask the Conservation Commission to pick up the interest cost on the land conservation bond over next several years.

Councilor Henry Smith said he thought this would be a good thing to discuss with them.

Administrator Selig recommended someone from the Conservation Commission could come to a Council meeting to discuss this with the Council.

Councilor Carroll noted another option would be to take a small percentage of money from the land use change tax over time and put it into a reserve fund for future land conservation. She said the voters had allocated money for future land conservation, which it was thought would have to be bonded. But she said her suggestion would mean there would be money available for conservation purchases when needed, and the Town wouldn't need to bond this.

Councilor Stanhope said the conservation fund administered by the Conservation Commission would inevitably go down over time, perhaps over 10 years, given the amount of available land in Durham. He said it was therefore not part of a long-range revenue stream that was available to the Town. There was discussion about this.

Chair Niman said it seemed that the sentiment of the Council was to have a discussion with the Conservation Commission, and said they would therefore be invited to a future Council meeting.

Councilor Van Asselt asked where, in looking at the 2008 and 2009 budgets, the Council would deal with the issue of the Town Hall site. He also noted the issue concerning the church on Route 108 being sold and what would then happen with that property, and said these things had budgetary implications over the next 5-10 years. He asked Administrator Selig how he saw the Council moving concerning these kinds of questions.

Administrator Selig said no interest had been expressed by town boards on moving the Town Hall site to the Church site on Route 108, but said there was interest in the Mill Plaza location. He said if that was the goal, there were people who would pay \$1 million or more for the Town Hall site. He suggested that if things started to move with the Mill Plaza development, the Town should look at selling the current Town Hall property, and maximizing its economic potential.

Councilor Van Asselt said he wanted to be sure that work concerning the Route 108 property kept moving, whether it was done by the Economic Development Committee, the Council, etc.

Administrator Selig said the Route 108 church property was an Economic Development Committee matter, explaining that if the church chose to move, the Town would want to ensure that property became a taxable property rather than a property owned by a nonprofit organization. He said the Committee should be looking at ways to maximize the value of this property, noting that extension of water out Route 108 would increase the possible uses of this property, which could result in more tax dollars.

Councilor Van Asselt and Councilor Carroll spoke next about the elderly property tax exemption.

Councilor Van Asselt said this issue was on the table that evening because if the exemptions were increased, this would have budget implications.

He referred to the Durham elderly property tax exemptions compared to those of some other towns,

He said this was a policy and a financial issue, but it was also a lifestyle issue. He noted that providing the exemption encouraged some elderly people to live in a house they shouldn't be living in anymore. But he said a counter to that argument was that Durham didn't have many places for people who didn't want to live in their home anymore, but wanted to stay in Durham.

He said he was not sure this was a dramatic tax issue, and said it was more a question of what the Council wanted to do concerning a limited number of elderly residents struggling with taxes, and what relief the Town wanted to give them. He provided additional details concerning this. He said this could be approached in a step process, over time, where the Town could see how many people qualified, and could then decide what the exemption would be.

Councilor Van Asselt said it was important for the Council to think about the implications of this policy and what it would mean for Durham, because of the kind of community it was, the kind of housing here, etc.

Councilor Needell said he had looked at the data on this. He said if there were to be an exemption, the one Durham had was inappropriate. He said as a policy issue, it should definitely be considered whether the goal was to offer help to elderly residents who couldn't afford to live here, and whether this was the right policy to be using. He said what was offered at present didn't really satisfy any policy.

The consensus of the Council was to explore this issue further. Councilor Van Asselt and Councilor Carroll said Councilors could email them any questions they had.

Other Business

Chair Niman noted that there had been an Agenda setting meeting, and a question was what to do with the TIF proposal: how to move it forward, how to structure the process. He said it was decided that Don Jutton would make a presentation to the Council on July 2nd, and residents living within the proposed TIF district were invited to the meeting, and could ask questions at that time.

Councilor Van Asselt asked if things were moving ahead concerning appointments to the joint town subcommittees to deal with school district issues.

Administrator Selig said there were 2 candidates so far, and said it was hoped there would be more.

Councilor *Leach MOVED to adjourn the meeting. Councilor Henry Smith SECONDED the motion, and it PASSED unanimously 9-0.*

Adjournment at 9:26 pm

Victoria Parmele, Minutes taker