

This set of minutes was approved at the Town Council meeting on January 14, 2008

**DURHAM TOWN COUNCIL – BUDGET AND CIP WORK SESSION
MONDAY, NOVEMBER 26, 2007
DURHAM TOWN HALL – COUNCIL CHAMBERS
7:00 PM**

MEMBERS PRESENT: Chair Neil Niman; Councilor Diana Carroll; Councilor Mark Morong; Councilor Gerald Needell; Councilor Karl Van Asselt; Councilor Julian Smith; Councilor Catherine Leach; Councilor Henry Smith (arrived 7:11 PM); Councilor Peter Stanhope

MEMBERS ABSENT: None

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 7:04 PM.

II. **Approval of Agenda**

Councilor Van Asselt MOVED to approve the Agenda as submitted. Councilor Carroll SECONDED the motion, and it PASSED unanimously 8-0 (Councilor Henry Smith had not yet arrived).

III. **Discussion and action on Roselawn Farm conservation easements**

Councilor Needell MOVED to approve a request by the Durham Conservation Commission and Land Protection Working Group and AUTHORIZES the Town Administrator to execute the appropriate documents for the Town of Durham to:

- 1. Provide funds in the amount of up to \$170,000 towards an approximately 67.2 acre Conservation Easement on the Roselawn Farm property (Tax Map 10, Lot 1-2);*
- 2. Accept the Executory Interest in approximately 20 acres of the Roselawn Farm, as described in the Conservation Easement Area 2 (Tax Map 10, Lot 1-2); and*
- 3. Provide funds in the amount of approximately \$9,000 for transaction costs for the Roselawn Farm property, with said \$170,000 to come from the funds held by the Conservation Commission.*

Councilor Carroll SECONDED the motion.

Councilor Needell said he fully supported the acquisition of the conservation easement, based on the information that had been provided. He said he thought it met all the criteria to be considered, and said the source of the funding, from the Conservation Commission's conservation fund, was excellent.

He said he recalled that the Commission had offered to use those funds the previous year for portions of other proposed conservation easements, and Administrator Selig had said the best course of action was to not use those funds, and to use other sources. He asked Administrator Selig whether he felt it was the best use of the Town's resources to take the money out of this fund now.

Administrator Selig said he did, stating that he thought the Town was better served for larger projects to use the bond, and for smaller projects like this, to use the conservation fund. He said that especially given the tax situation at the present time, it made sense to use the conservation fund now, and perhaps in 2-3 years, to look at bonding again, as the tax rate was stabilized.

Councilor Stanhope said he would support the motion, but he encouraged the Council to have a yield plan for parcels in the future. He noted that the appraisal had not been submitted for yellow book approval, so they didn't know if it would withstand that scrutiny. He also said the appraisal was based on the value of a certain number of lots, without the benefit of a yield plan developed by a soil scientist or land planner.

He said they were effectively voting on a value for the easement based on the loss of development rights, rights which the Council didn't have evidence of from a soil scientist, concerning what development was possible on that land. He said the appraisal talked about 5 possible lots, although a soil scientist hadn't indicated this was possible.

He said the value of the lot on paper looked exceptionally aggressive based on other subdivisions in Durham. He said that assuming they were not able to achieve 5 lots, but could achieve 3 lots, at \$56,600 for each lot, this was within the parameter of paper lots. But he said the appraisal suggested the paper lots were worth substantially more than that.

Councilor Stanhope said the Conservation Commission should provide a yield plan for future conservation easements, and also said any appraisal should require a discounted cash flow that looked at the probability of the lots being approved including the time it would take for this to happen. He noted that approvals generally took a year or longer in Durham, and provided details on this. But he said that assuming that at least 3 lots could be developed, he could support the motion, and said that having looked at a soils map, he was confident that there could be 3 lots.

Councilor Henry Smith arrived at the meeting at 7:11 pm.

Councilor Carroll said she supported this motion and project, in order to protect the prime farmland/soils on that property. She also said an unintended consequence of the easement was that by protecting the land, the Town would be protecting the use of the road, noting that several residents had said it was important to them for recreation and other purposes. She said if the land

was not protected and a development went in there, they would have to look for another road in Town for these recreational pursuits.

Councilor Carroll said the Gangwers deserved a big thank you from the Town, stating that she had heard they had been very cooperative during this process. She said the Gangwers had done a lot for the Town of Durham, in many ways, over time.

Councilor Leach said she did support this motion because the funding was coming from the conservation fund, and said if approving had meant the tax rate would be impacted, she would have had a hard time supporting it. She noted that there were some things said during the public hearing regarding thwarting the threat of development, but said that in the future, they should all be careful about doing projects like this just stop a potential development of 10 or less houses.

Councilor Leach also noted that agricultural uses had not been a big part of the use of this property in the last few years. She said the property would be of greater benefit to the community if these agricultural uses were brought back, and would make people feel that they had more ownership of it.

Administrator Selig said if the goal was to use conservation fund moneys to pay the Town's share of the easement, the Conservation Commission would have to hold a public hearing to expend those funds. He also said that even though the Council was moving this initiative forward, the Town of Madbury would still need to work through their process. He noted that there was a hearing in Madbury that evening, and he also said there would be a special Town meeting on December 11th in Madbury.

Administrator Selig said that a portion of the USDA funding allocated to the State had initially been designated for the Town of Lee. He said Lee had been unable to spend the money, so had requested re-designating that money to this project. He said the Town of Lee therefore deserved thanks for their support of the project.

Councilor Needell asked if the Conservation Commission would have to vote on this before the end of the year, and Administrator Selig said yes.

There was discussion that Attorney Mitchell had provided feedback, and that the conservation easement deed had been revised to reflect his suggestions.

The motion PASSED unanimously 9-0.

IV. Continued public hearing and deliberation on the Town Administrator's Proposed FY 2008 Operating Budgets, Capital Budget, and 2008-2017 Capital Improvement Plan

John Kraus, 7 Cutts Road, presented the Council with a plastic knife and a pork chop, with both lean and fat on it. He said the Council needed to cut the fat in the Budget. He then presented some birdseed to Council members, and said the Council needed to look at cutting \$300,000 Budget items, not \$300 items. He assured Councilor Carroll that the props he had used were items he had purchased in Durham.

Mr. Kraus spoke again about the idea of sharing existing employees from different departments to do certain work tasks instead of hiring new part-time people to do them. He said it was time to think imaginatively about this. He also said he would also like to see the Council state publicly that the School Budget was excessive, and to recommend that citizens vote against it.

Art Grant, 261 Mast Road, said he encouraged the Town Council to be firm and somewhat tight-fisted in looking at the Budget. He said he knew that Administrator Selig was a very smart and creative administrator, in keeping the tax rate increase down to 2%. But he said the Budget was \$325,000 more than it should be, and said it continued a pattern of increases in the Operating Budget over the past dozen years or so.

He said that at a time when the economy was suffering a bit, and gas prices were rising, the Council needed to think about how taxpayers were going to face their tax obligations. He said this would be a really good year to provide tax relief.

Mr. Grant said the \$325,000 increase was not the sole increase in the Budget, and was simply the increase in what the Town would have to spend in 2008. He encouraged Councilors to look at the issues raised regarding the Capital Budget, stating that there were millions of dollars being recommended for expenditure, when studies had not been completed, and designs had not been approved yet. He said this didn't seem to make sense.

Jerry Gottsacker, Madbury Road, said he was Co-chair of the Durham Taxpayers' Association. He noted that the Association had spoken with Administrator Selig and Ms. Jablonski about the details of the Budget. He also said member Chris Mueller had planned to come that evening and speak about the relationship between the School Budget and the Town Budget, but wasn't able to attend the meeting.

He said the Association hadn't looked at the issue of staffing, but said he had some tools to look at this, based on his previous work experience. He said the amount of overtime had stood out really clearly in the Budget as a red flag, among other reasons because it was very expensive. He said overtime often ran out of control, and said it was usually an indicator of manpower problems, staffing problems, equipment problems, planning problems, etc. He said it was often prone to abuse.

Mr. Gottsacker said department heads often saw overtime as a reward. He noted an example of this in the proposed Budget for Durham, for the Police Department, where a rationale given for overtime was that it increases morale. He said overtime was not a tool that should be used to increase morale, and said morale was a result of primarily non-financial situations. He said the commentary here validated that overtime was being used for the wrong purposes.

He said overtime accounted for a little over 18% of total wages for the Fire Department, which was excessive. He said the percentage for the Police Department, 7.5%, was not quite as high, but was still a problem. He said he wouldn't offer specific recommendations on how to deal with this, but said there were ways to look at it.

He said people with experience in structured problem-solving could be brought in to look at processes. He said he had done this at Toyota, and it is what he would recommend for Durham. He said the Council should also accompany this analysis with a graduated reduction in overtime over 2-3 years.

Mr. Gottsacker next spoke about the current use of service contracts for various purchases made by the Town, and said that by nature, they resulted in wasteful spending. He provided details on this.

He said a third area where there was room for improvement had to do with the number of employees and the relationship of this to process. He said if Town processes had not yet been analyzed, they generally contained 30-35% waste.

He gave as an example the building permit process in Durham, and how much time was involved for obtaining one in Durham. He said it added up quickly. He noted that in the Town of Madbury, all Town permits were obtained with one form. He then provided details on the time and cost savings that would be involved if the Town did something like this.

He said he had converted the Town's current process to Madbury's process, and said the total customer time with a one-stop process was 130 minutes compared to the current 215 minutes needed in Durham. He said the total Town time for a building permit could be reduced to 20 minutes, compared to the current process time of 55 minutes. He said there were huge savings in time by streamlining the process, which translated to labor, which translated to wages.

Mr. Gottsacker said this was an example of one process, from one Town department, a department that had requested a half full time equivalent head count increase. He said that by modifying the building permit process for that department, the Town could probably gain that half time equivalent position.

He spoke about an article about how the Los Angeles Police Department had been trained in process improvement, which had resulted in significant savings. He said these kinds of savings could be gained from doing process improvement for the various Town departments in Durham. He said that typically, there was a 30-35% savings for one process, and said the savings added up rather quickly when considering all processes, and all departments.

He said staffing was something that was sometimes difficult to evaluate, and said process mapping and streamlining was an important tool to try to figure that out, and the yield was usually significant cost savings.

Mr. Gottsacker said there were several approaches the Council could take right now concerning the Budget, some of them easier than others. He said some easier approaches were changing the assumption regarding getting some kind of relief from UNH for Police Department costs, or using the land use change tax to pay off the current debt on the land conservation bond.

He said a more difficult approach was looking for grants. He noted that some towns had full time grant writers, and he pointed out as an example of possible grant money that Homeland Security grant money should be available to assist with the dispatch center transition to the County.

He said a more difficult budget approach was to address Budget line items, like overtime. He said an approach he was passionate about was launching a process improvement initiative in Town. He said he believed this had never been done before, which meant that those processes were pretty full of waste. He said doing this would required proper training, and the involvement of key leaders in Town, but he said the end result should be very productive, and should result in significant savings

Bill Hall, Smith Park Lane, said the previous week, there had been discussion on a line item in the Budget for a traffic study to be done with the University. He said he had spoken about this with Steve Roberts, a member of the Planning Board who had been Chair of the Planning Board when a new traffic study had been conceived a few years back.

He said that by statute, the Planning Board was charged with advising the Council on planning issues, and said the Board had wanted a definitive traffic study that was not gummed up by the University. He said the Board had made a proposal for this, but it was later de-funded. He said Town staff had tried to push this so far back that it would be forgotten, but he said he hadn't forgotten it. He said that Administrator Selig now wanted the Council to fund this other traffic study initiative.

Mr. Hall said he was an expert on transportation issues with the University, and said he thought there was a serious problem with a funding study that would involve the University. He said this had been a disaster every time the Town had tried it, with resulting studies that were worthless, or a situation where the University forgot about the study. He said a joint study would be counterproductive regarding Town traffic, and noted that this wasn't necessarily a funding issue, but it was a divisive issue.

Councilor Julian Smith MOVED to close the public hearing. Councilor Leach SECONDED the motion, and it PASSED unanimously 9-0.

Councilor Van Asselt said he would like to make a motion and use it for purposes of discussion, if someone seconded it.

Councilor Van Asselt MOVED that the Durham Town Council directs the Town Administrator to prepare a 2008 Operating Budget and Capital Improvement Budget which combined results in a zero percent tax rate increase from the 2007 Operating Budget and Capital Improvement Budget combined, based on the options to achieve that directive approved by the Town Council on November 26, 2007. Councilor Stanhope SECONDED the motion.

Councilor Van Asselt said the green sheet he passed out showed a proposed use of fund balance that would get the Town down to a 0% tax rate increase, as a result of using \$215,500 in fund balance instead of the proposed \$101,500. He said it also took additional proper taxes from 2007 of \$48,000, which was offset by increased valuation in 2008 by about \$7 million.

He also said the pink sheet he passed out showed this first Option, as well as several other possible approaches under an Option #2, to reach a 0% increase in the tax rate. He said as a

result of Option 1, the projected fund balance would go from \$1.3 million to \$1.1 million, but he said the impact at the end of 2008 would be a decrease of \$52,500 in the fund balance as compared to at the end of 2007. He provided details on this.

He said Option #2 included using \$165,000 of fund balance instead of \$101,500, and then either:

- reducing the proposed spending in the proposed Operating Budget by \$50,000
- reducing the proposed spending in the Capital Improvement Budget for 2008 by \$50,000
- reducing the proposed spending by \$50,000 in a combination of the proposed Operating Budget and the 2008 Capital Improvement Program budget
- or another combination.

Councilor Van Asselt said that using these other options, the reduction in fund balance at the end of 2008 would only be about \$2,500.

He noted the yellow sheet he provided asked some questions, and said one of them was why propose a 0% tax rate increase rather than a 0% spending increase. He said the answer was that in the end, it was the tax rate that determined what taxes people paid. He also argued that only those spending increases for service levels set by the Council could be supported.

He said he felt the impact of using additional revenues from the fund balance would be minimal from a Town fiscal standpoint, based on the numbers he had provided. He said the resulting fund balance would not impact the Town's ability to function, or the issuance of bonds.

He said another issue to consider was what the long-term impact would be if each year, the tax rate was stabilized by the use of fund balance. He said 2007 had been a year when the Town had seen some new revenue sources. He said that while Administrator Selig had worked to hold spending down through changes at the dispatch center, etc., the Council had taken steps to broaden the tax base through the Stone Quarry TIF district, the Business Park, and hopefully Mill Plaza. He said he thought the Town could therefore see reasonable spending increases and still have an affordable tax rate.

He said there were assumptions that were included in this scenario, the biggest of which was that it was assumed the Council would support Administrator Selig's proposals in the Budget, including new revenue of \$32,000 from the proposed \$5 vehicle registration fee.

He said a question was whether, if the Council was interested in proposing one of the approaches under Option #2, what the spending cuts would be, either in the Operating Budget or the Capital Budget. He said if the Council chose to take that kind of approach, it was the job of Administrator Selig and Town staff to do this, and said it only became the Council's job when the cuts would have a major impact on service levels.

He said looking ahead to 2008 and future budgets, it would be desirable for the Council to schedule quarterly public budget workshops with Administrator Selig to discuss spending policies, and to exchange ideas with him and the public, with the focus on policy issues related to non-property tax revenues, area of potential savings within specific areas such as personnel, and

ideas on different levels of new services. He said this kind of discussion couldn't happen when the Council waited to November to have it.

Councilor Stanhope said he had approached things a bit differently in analyzing the Budget. He showed a list of comparative costs per person in municipal budgets of 25 towns in the area, and said the cost per person in Durham was \$1,508, which was greater than the cost in all the other towns. He said many of these other towns had libraries, substantial police stations, fire stations, and other infrastructure that was equal to or better than Durham's. He said the Town's budget was flawed in some way in that there was a substantial cost but not a significant amount of services for residents.

He handed out a second sheet that provided a debt-to-population comparison for Durham, Somersworth, Londonderry, Exeter and Epping. He noted that it showed that Durham's amount of debt per person was \$158, which was higher than the amount of debt per person in these other towns.

Councilor Stanhope then noted a third sheet, which showed the budget increases for the Assessing Department (40%), Planning Department (50%) and Police Department (21%), and for the Library (150%), from 2003 to 2008. He said these were substantial increases. He said he believed that the Budget could be cut, but said he didn't think the Council had the time to do this. He said the Council should say to Administrator Selig that reasonable cuts should be made.

He also said that there were a lot of other people in Town besides the Council who gave enormous amounts of time, but did so for no pay. He suggested there should be a warrant article eliminating the current system where members of the Town Council were paid employees of the Town.

Councilor Julian Smith said he would support that.

Councilor Needell said he too would support that and said it was something to consider. He noted that this could be done through an Ordinance. He also said the population figure used by Councilor Stanhope, 6,500, concerned him, and he asked where this number had come from.

Councilor Stanhope said it came from a couple of sources from 2005, and was the non-student population.

Councilor Needell said the Town's population was larger than 6,500. He said the Town's largest industry was renting to students who lived off campus. He agreed that there was a significant cost of having the University of New Hampshire in Durham. But he said the students living in non-University apartments were paying, through their rents, for some of the services the Town provided. He said what the cost per person should be could be debated, but he said he couldn't make sense of the \$1,500 per capita figure because he didn't think the 6,500 population figure was representative of anything. He said using that number skewed Councilor Stanhope's argument.

Councilor Stanhope said he accepted that, but said there was a tendency to point the finger at the School District and the University. He said even though a certain percentage of the population above 6,500 might be students, he didn't think the difference was so significant that it would bring the Budget in line.

Councilor Needell said it was unfair, and was not useful to compare Durham to another town of equal size because they were not the same. He said he found it hard to use that as justification that things should be differently sized, although he said they could argue about who should pay for services.

Chair Niman said that regarding the population number, when engineer Mike Metcalf had recently updated the water study, he had contacted UNH, and was told there were about 7,000 students living on campus now. He said that plus 6,500 number equaled 13,500.

There was discussion that the Office of Energy and Planning had said that the 2000 census had determined that the total population was 12,664, and that the population was now about 13,500.

Administrator Selig said it was challenging to come up with an accurate per capita number. He said most communities didn't have the population fluctuations that Durham had, which impacted services in Town. In answer to Councilor Needell, he said the 13,500 figure including the full time population living in Durham as well as students living on campus, but excluded students living off campus.

Chair Niman said even if the population figure was increased, the cost per person would still be about \$1,000 per person, which put Durham at the high end of the range.

Administrator Selig noted that there were a lot of people/students circulating around Durham that the Town had to deal with, including their friends. He said if that was part of the analysis, it got back to the issue of what was fair compensation to the Town of Durham for hosting the State's flagship institution.

Chair Niman said he didn't disagree with this, and said the Council could talk about this if it wanted to go in that direction.

Councilor Leach said she didn't care what the population number was, for purposes of the Budget discussion. She asked what Administrator Selig and Ms. Jablonski thought about Councilor Van Asselt's proposal, in terms of the options that had been presented, and the best way to proceed concerning them

Administrator Selig said he had tried to come in at the \$231,000 figure he and the Council had talked about in June at the work session. But he said they couldn't get to that number, for the reasons he had outlined. He said the Budget that he had brought forward was aggressive, and did some innovative things. He said if the Council asked him to cut \$64,000 more from the fund balance, and to find \$50,000 in expenditure cuts, he and Town staff could do that, but he said that was not what he would recommend.

He said that by narrowing the discussion to this only, the Council would be ignoring a lot of other broad policy questions that it needed to deal with. He also said he thought it might be helpful to work with a spreadsheet to see the impacts of different policy decisions. He said the Town needed to reduce spending where it could, to bolster revenues where it could, and to balance the desire to conserve key tracts of land with the need to expand the tax base. He said these were cornerstones of the Budget, going forward, and said the question then was, given those basics, what new things the Council was willing to pay for.

Councilor Leach said she agreed that there were policy issues the Council needed to discuss, and said perhaps the Council should have been talking about these broader policy issues over the past several months. She asked if these policy issues needed to be fleshed out further before going forward with this Budget.

Administrator Selig said no, stating that the big policy issues would impact the Town beyond 2008. He said the tax rate increase could be absorbed by using more fund balance, but he said he was hesitant to do this because it was the easy way out.

Councilor Leach asked Administrator Selig if he would be interested in doing one of the alternatives outlined in the pink sheet, and he said he was more interested in having the Council come to a consensus on what level of spending was acceptable. He said he had already brought the Council a Budget that reflected what he thought the Town needed.

Councilor Needell said Administrator Selig had brought forward a Budget he thought he needed. He said if the Council wanted to alter that, he hoped Administrator Selig's answer to that would be no. He said if the Council wanted to take more money out of the Budget, it needed to identify areas where these cuts would come from. He noted that there was a small area of the Budget where these cuts could come from, and said he thought it was unfair for the Council to push the Budget back to Administrator Selig to deal with.

He said he was puzzled about Councilor Van Asselt's proposal in that he thought the increase in tax rate was due to an increase of \$325,000 in spending, but he didn't see this accounted for in the numbers.

There was discussion about this.

Councilor Needell said he thought the Council should focus on the numbers of what was spent, and not on the tax rate. He also said the Town should be (and in fact) was working on the revenue side. He provided details on his perspective, and said he didn't have a particular interest in getting to a particular percentage tax rate increase.

Councilor Van Asselt said he was simply suggesting that there could be cuts. He also said the people of Durham who paid property taxes would like to see the Town say there could be a 0% tax rate increase this year. He said this was a doable goal, because of what Administrator Selig had done with non-property tax revenues and keeping spending down, relatively speaking. He said he was suggesting that as a policy matter, he would like the Council to say that this was a goal.

Councilor Needell said policy issues were the things that were driving the Budget, and he said it was up to the Council to decide on these policies. He said these were the policies that had been given to Administrator Selig, and were in the Budget, and he said they were the issues he would like to talk about.

Chair Niman said he would like to see the Council move the discussion on Councilor Van Asselt's motion in some direction. He asked Councilors to indicate whether they agreed with the motion or not, as they made their comments, and if they agreed with the motion, to indicate which of the options they would like to see used to get to a 0% increase in the tax rate. Councilor Morong said a policy issue he had been strong on over the years is not wanting to use a lot of fund balance. He noted that some years he had even proposed using none and letting the taxpayers see what their tax bill would really be, and that then they might come to these meetings. He said people in Durham wanted lower taxes, but he said he didn't really see many people at the public hearings, saying their taxes were too high.

He said that unless the Council initiated some kind of program where Town processes were changed and became more efficient, he didn't see how the Town would have the level of services it had without having taxes go up. He said they had heard from ex-Councilors at the meeting that evening about cutting taxes, but said he didn't remember them actually doing this when they sat on the Council, at least not while he had been on the Council.

Councilor Morong said he would like to talk about Spruce Hole, but said that for the most part, he didn't see another way than to approve the Budget that was proposed.

Councilor Henry Smith asked whether, if the tax rate increase were reduced to 0%, residents would get the same level of services that they would if this reduction didn't occur.

Administrator Selig said there would be an impact, but he said the average homeowner wouldn't notice the impact now. But he noted that the impact would be noticeable in a few years. He said this cut would mean that things boards and committees wanted to get done wouldn't get done. But he said Town staff could find the \$50,000 in some way. He said if the goal were to cut \$300,000, there would be a more dramatic immediate impact.

He said that in putting the Budget together, he was also thinking long term. He said he saw large projects up ahead that the Council needed to take ownership of. He said if he held back the tax rates now, there would be less fund balance to offset increased costs in the future, which would result in an increase in the tax rate in the future.

Councilor Leach asked Administrator Selig if he thought broadening the tax base could potentially avoid that future large increase in the tax rate.

Administrator Selig said he didn't think the Town could avoid tax rate increases simply by broadening the tax base, especially if residents wanted a new library and other projects. He provided details on this. He also noted the School District budget, which represented the larger

part of the tax bill. He said if the goal was to artificially lower spending in Town to compensate for School spending, it was important to acknowledge this.

He said if the goal was to give the School District the opportunity to get their house in order and to adjust the Town rate down for a period of time in order to allow this to happen, and then to let the Town rate grow again so the fund balance levels didn't get too low, this was a valid conversation to have. But he noted that the Town would have to keep track of these policy decisions over time.

Councilor Morong said he was concerned about the idea of taking \$50,000 out of the Budget, and said he didn't think that was how the Town would find savings. He said he felt that these savings were more likely to be found if there was greater efficiency in the operation of Town departments.

Administrator Selig said the reason for hiring a part time Planning Department assistant was to free up Karen Edwards so she could do more GIS work. He noted that GIS projects had stalled in recent years because there was no staff person devoted to working on it. He said this proposal was a low cost way to use a talented employee who had some interest in GIS and who could help the Planning Board and Mr. Campbell with her work on the mapping. He said the part time Planning Department assistant position would be one of the first new positions to go, if cuts were made.

Councilor Henry Smith said he was not in favor of dipping further into the unreserved fund balance. He said Administrator Selig had put this Budget together very well, and said he thought a 2% increase in the tax rate was reasonable. He said Council Van Asselt might be right, but he questioned whether taxpayers wanted a 0% increase. He said if this were going to be pursued, significant items would need to be cut from the Budget.

Councilor Carroll said she didn't see that it was necessary to have this as goal. She said she would like to see the different categories of possible spending discussed, such as Spruce Hole, and would like to see specific items Councilors might want to throw on the table, and suggest lowering to some degree. She suggested that then the Council could look at the fund balance again.

Councilor Julian Smith said he agreed with Councilor Morong that the fund balance should be left alone. He also said he agreed with Councilor Morong in that he didn't know of any item that the Council could agree to cut from the Operating Budget.

Councilor Van Asselt said he didn't understand the concerns about the fund balance, noting that the pink skeet called for a 2,500 reduction out of \$1.3 million. He also said he was only talking about a \$50,000 reduction in a \$10 million budget

Councilor Morong noted that if he were making \$100,000, but his spouse said \$90,000 of it was already committed to other things so there was only \$10,000 of discretionary income, \$500 would be a greater percentage of that.

Councilor Leach said she was in favor of a 0% increase in the tax rate because what Councilor Van Asselt had brought forward was doable and reachable. She noted that if it had involved cutting \$325,000, she would have been wary of the recommendation because it would be harder to do.

She said she would prefer not to take all of the \$114,000 out of the fund balance, and would prefer some kind of combination of use of fund balance and spending cuts. She said she had looked at the 2008 CIP, and said there were 6-8 items she would question the necessity of. She also said there were about 5 things in the Operating Budget that she would question. She said it didn't seem that hard to take \$50,000 out of the Budget or CIP, and said she would like to see Administrator Selig do this. She said she thought this was his job, and said that after all, this was a proposed Budget.

Councilor Leach said it seemed that this could be done without reducing services, and noted that she didn't think the Town got a whole lot of services to begin with. She said she was amazed that the Council wouldn't give taxpayers a 0% increase, when it could.

Chair Niman said he supported a 0% tax rate increase, because he thought it was an important symbol to the Council, the Town, and the staff, that taxes were a serious concern, and that the Council was sensitive to this concern and was trying to take some positive steps. He said he understood the challenges involved in doing this, but said he was willing to move in this direction.

Regarding the idea of taking money from the fund balance, he said had been one who was never in favor of doing this. But he said the numbers provided were interesting, and said taking \$114,000 from the fund balance to get to a 0% increase in the tax rate didn't mean it would drop down to an irresponsibly low level. He noted that it would be fairly close to what it was the year before, said he didn't see this as a fiscally irresponsible thing to do.

He also said there were ways to get to 0% without taking all of the \$114,00 from the fund balance. He said the Council could be more optimistic, or firm concerning the University, and getting help for policing, so the Police Department budget could be reduced. He said this wouldn't involve a lower level of service, but would involve a commitment to pursuing alternative revenue sources. He said he would prefer to be optimistic about this, and to take some funds out of the fund balance, with the idea that it would be replaced by additional revenues from UNH.

Chair Niman said he would also like to be more optimistic about broadening the Town's tax base, and said perhaps there could be a 2% increase per year. He said this didn't mean that the Town would wind up being paved over. He said they were starting to see more projects coming forward, providing details on this. He said there were therefore ways to encourage growth in the tax base that could replace those dollars taken from the fund balance, so he didn't feel the Council would be acting irresponsibly in agreeing to use more of the fund balance now.

He said he agreed with others who said the Council shouldn't ask Administrator Selig to make the cuts, stating that he knew Administrator Selig would come back with cuts that nobody

wanted. He said he agreed with Councilor Needell that the Council should say where things should be cut from. But he said from his experience on the Council, there wasn't a lot of support for the Council having that kind of discussion. He noted that there were things he was willing to give up, but he said the Council never seemed to have that conversation.

Chair Niman said his approach over the past year had been to try to grow the tax base, stating that the challenge in Durham was that there currently wasn't a broad enough tax base to support the level of services. But he said the Town was on the cusp of a change concerning this, so he was in favor of a 0% increase in the tax rate. He said he was committed to replacing the funds in the fund balance, and making the fund balance even larger.

Councilor Morong said he shared this optimism, and said he saw no reason not to promote what Chair Niman was talking about, and to perhaps have a 0% or even a negative increase in the tax rate next year. But he said he got concerned about projections, and saw in them how low the fund balance did go before it went up again, assuming that something major didn't happen to the economy.

Chair Niman said he had a different perspective on the CIP than Administrator Selig, and thought some of the projects in it could be done at a significantly lower cost, which would not lead the Town to the point where it ran out of fund balance, or had extraordinarily high tax increases. He said these were some of the major policy issues the Council needed to discuss.

Councilor Needell said he agreed with much of what Chair Niman had said, but said he didn't understand the focus on a 0% tax rate increase. He said it was reasonable to have a discussion on balancing use of the fund balance with some of the potential revenue sources that might come on line next year. But he said this had nothing to do with the 0% issue.

He said Councilor Leach had said there were a number of things the Council should talk about, and said the Council needed to look at these things. He said it was very possible, given the meager amounts Councilor Van Asselt was talking about, that the Council might actually be able to go beyond the 0% tax increase target.

Councilor Leach said she hadn't said that the Council should talk about these items, and said she thought Administrator Selig should address them.

The motion FAILED 4-5, with Councilor Van Asselt, Councilor Leach, Councilor Stanhope, and Chair Niman voting in favor of it.

The Council stood in recess from 8:51 to 9:02 pm

Councilor Stanhope MOVED to approve the 2008 Operating Budget as proposed. Councilor Van Asselt SECONDED the motion.

Councilor Stanhope said there was a general consensus that Administrator Selig's proposed 2008 Operating Budget was satisfactory, and said the Council didn't have the time to pick through individual items in it. He said it made sense not to prolong the inevitable.

There was discussion on how to proceed, with Administrator Selig noting that according to the Town Charter, the Council couldn't formally approve the Budget and CIP until 14 days after the public hearing. Chair Niman suggested that a straw vote could be taken that evening, and it could then be formalized at the second Council meeting in December.

Councilor Leach said she did not agree with voting on the Operating Budget now.

Councilor Needell said there were some things in the Operating Budget that he would like to discuss first. He said one issue was reliance on income from the car registration fee that was proposed. He asked whether, if the Operating Budget were approved, that funding source would be included in the Operating Budget.

Administrator Selig said the Council would have to adopt a resolution on this at a later date. He said if the Budget was approved at the present evening, it projected that there would be \$32,000 in revenue from the car registration fee, and he said if this subsequently failed to materialize, the amount of money would be covered by using fund balance.

Councilor Needell noted that this issue was tied to the Roads Program. He said he would like the Council to agree on what it would be spending on the Road Budget for 2008. He said he was comfortable with what was proposed, but should the car registration fee not be enacted, he didn't want people to think that the Road Budget would therefore be reduced by \$32,000. He received clarification that by passing the Budget that evening, the Roads Program would be approved.

Chair Niman said if five months from now, the car registration fee were defeated, the Council would have to amend the Budget.

Administrator Selig said the Town could amend the Budget, and could also decide to under-expend that amount. He noted that it was an imperfect process in that it was hard to know exactly what the costs for the roads would be.

Councilor Needell said again that he didn't want to see the amount of money in the Budget for the Roads Program reduced.

Councilor Carroll said she was in favor of a \$5 car registration fee for vehicles, but said she was not necessarily in favor of having all of it spent on the Roads Program. She noted that the State RSA allowed these funds to be used for things other than roads. She said there was no money in the Budget for public transit, bicycle paths, or sidewalks, and said she would hate to see it all earmarked for roads. She said they might decide next year to put a bicycle path in, and said this was one way to pay for it. She said she saw this as a set aside fund to draw upon for these different projects.

Administrator Selig said his suggestion was that for 2008, the money would be used for the Roads Program. He said this was also part of a strategy to get as close as possible to a 0% tax rate increase with the Budget.

Councilor Carroll asked if in the Budget for 2009, part of the \$5 fee could be earmarked for bicycle paths, etc., and Administrator Selig said that was correct.

Councilor Needell said the Council would have to have that full discussion when it discussed whether to enact the \$5 registration fee.

Councilor Needell said a second issue concerning the Operating Budget was regarding the Oyster River Youth Association (ORYA). He received clarification that the budget increase concerning this line item was in fact 10%, and asked why there had been such an increase.

Administrator Selig explained that Lee and Madbury had increased the funding for ORYA in 2007, while Durham had not. He said what was proposed now was a modest increase, and said it was a very small amount compared to what it would cost the Town if it ran the program itself. He also said he still thought it would make a great deal of sense for the Mill Pond Center and ORYA to partner, and he provided details on this. He said he would be supportive of that kind of endeavor, through the use of the contingency fund, if that were to come to fruition.

Councilor Needell received clarification that the number recommended in the Budget was the number requested by ORYA.

Councilor Carroll noted that the chiller tubes for the Churchill Rink needed to be replaced and that this cost \$35,000. She asked if that money came from last year's budget and was told yes. She also said that spending almost \$10,000 in interest over time to pay for this bonded project was a waste of money.

Councilor Henry Smith said he was in favor of this motion to approve the Operating Budget for practical reasons, noting that among other things it would avoid a prolonged discussion.

Councilor Needell said this vote would be a consensus statement, and asked whether the vote would constrain discussion on the CIP.

Administrator Selig said technically yes, in that all of the items listed in the CIP for 2008 were included in one way or another in the proposed Operating Budget. He said this vote would settle discussion on the operational items in the Budget, but said the Council still needed to discuss the Capital items in it for 2008. He said the formal resolution would be reflective of the changes made to the CIP, including the Capital Budget for 2008.

Councilor Needell recommended using the word "accept" rather than "approve" regarding the Budget.

Councilor Stanhope said he would consider this a friendly amendment to the motion.

Councilor Van Asselt said there were only three items in the CIP for 2008 that would actually impact the Operating Budget. He said if those weren't changed, there would be no change in the Operating Budget.

Councilor Leach noted that if those three items weren't changed, they were basically looking at Administrator Selig's 2% tax increase.

Councilor Needell asked if the allocation and use of fund balance was being approved with this motion.

Administrator Selig said his interpretation was that it would be approved, as would the 2% tax rate increase.

Councilor Needell asked for clarification on what he was voting on. He said he didn't think the Council was ready to vote on this, because it needed to discuss the use of fund balance.

Administrator Selig said the situation was very challenging in terms of future projections. He provided details on how fund balance was determined. He noted that he was concerned about whether the State aid funds for roads would be available next year because the State was having some difficult fiscal problems. He said the amount of money that would be available to the Town from the State was not a perfect science, and was the best guess Town staff could provide right now.

The motion was re-stated:

Councilor Stanhope MOVED to accept the 2008 Operating Budget, and looks forward to a formal Resolution that will be voted on at the second regular Town Council meeting, on December 17, 2007. Councilor Van Asselt SECONDED the motion, and it PASSED 5-4, with Councilor Van Asselt, Councilor Leach, Councilor Stanhope and Chair Niman voting against it.

The Council agreed to discuss the 2008 Capital Improvement Plan next.

Councilor Leach received clarification that the money for the Library in the CIP for 2008 would come from the Operating fund. She also received clarification that the funding for the two part-time library positions to be added in July, which would be closer to \$18,000 in 2008, wouldn't come from CIP money, and would come from the Operating Fund.

Councilor Morong said the Council had voted for the study on Spruce Hole in order to find out more about what it would cost to develop the aquifer and what it would do for the Town, which would be a good negotiating tool with UNH and potential developers. He said that if the Town anteed up this money now, its position would be greatly weakened. He said he would like to recommend taking it out of the CIP and see what the study said before allocating any money at all for this project.

Councilor Morong MOVED to remove everything in all of years related to the Spruce Hole well development from the CIP. Councilor Carroll SECONDED the motion.

Councilor Morong stated again that he thought funding this would weaken the Town's ability to negotiate. He also said he didn't feel money should be appropriated for something when the Town hadn't gotten the results of the study back yet.

Councilor Leach asked Administrator Selig whether it made sense to leave something in the CIP for this project, so that if the study results came back in 2008 and determined that Spruce Hole was an important water source, the Town could move ahead in some way toward the end of 2008.

Administrator Selig said there was still a great deal of information on Spruce Hole that the Town didn't have, and said the approved study would get this information. He said the proposal in the CIP was to allow the Town to move forward with the next phase of Spruce Hole in 2008.

He said it was likely that the results of the engineering study wouldn't be available until April, and said a lot of discussion would need to happen at that time. He said considering everything that would need to happen, the next phase of the project most likely wouldn't happen until September of 2008. He said the \$1.06 million number in the CIP for 2008 could probably be dropped by a half or even by two-thirds, which would provide at least some money to do the additional work in 2008.

Councilor Leach noted that the \$1.06 million would not be all Town money.

Councilor Needell said he didn't disagree with getting the study before committing anything further. He said that in general, he had been in support of this project, and felt it needed to be in the CIP. But he said he would be comfortable shifting it out in time to 2009-2010, and said the Council could then decide if it was something it wanted to go forward with. He said he would vote against deleting it.

Councilor Morong said the project could always be added back to the CIP next year, after information was available.

Administrator Selig said he agreed with Councilor Needell, and said if the Council wanted to wait for the results of the engineering study, it could shift the project components back one year.

Councilor Needell MOVED to amend the motion, so instead of saying that "the Council MOVES to remove everything in all of the years related to the Spruce Hole well development from the CIP", the motion will say that "the Council MOVES to shift everything in all of the years related to the Spruce Hole well development to the right a year". Councilor Morong SECONDED the motion.

Councilor Carroll said this sounded like a very prudent way to move forward. She said water was a big issue, and said the Town shouldn't go barreling into any particular project, and instead should wait to hear from its experts on this issue.

The motion to amend PASSED 5-4, with Councilor Stanhope, Councilor Julian Smith, Councilor Van Asselt, and Chair Niman voting against it.

The original motion, as amended, PASSED 6-3, with Councilor Van Asselt, Chair Niman, and Councilor Stanhope voting against it.

Regarding the item in the CIP for the Schoolhouse Lane Cemetery repair, Councilor Leach asked what the necessity was for this.

Administrator Selig said the stone wall had collapsed and said it was a safety issue. He said they couldn't get by for another year without the repairs.

Councilor Morong said it was a State law that the Town was required to maintain its cemeteries. He said that hopefully the Town could keep the rest of the wall from collapsing.

Councilor Henry Smith asked if the funds for this could come out of the cemetery trust funds, and Administrator Selig said no, because the trust was not set up to address things like this.

Chair Niman noted the number of \$2.4 million in the CIP for the repairs to the Wiswall Bridge, and asked for clarification that by voting on this CIP, he was not voting in favor of spending that money. He said as things stood, he would probably not vote for the bridge replacement. He said he had heard talk about surveys, and was waiting for someone to survey him.

He said the views of the neighborhood were important, but said he didn't think they shouldn't take precedence over the views of the Town Council. He said he was extremely disturbed that when some members, including himself, had expressed concern at a Council meeting, this had fallen on deaf ears. He said he was disappointed at the process that was used to get to this point. He said he had ascertained that he didn't have to make a motion to remove this from the CIP.

Administrator Selig assured Chair Niman that the concerns of the Council hadn't fallen on deaf ears. He said Town staff had followed best practices that had been gleaned from the Packers Falls project, which included a great deal of public input to date. He said that what will come to the Council would be a menu of options to choose from, all of which the State would approve. He said to not have handled the process this way would have meant the Council would be acting as a committee concerning this project.

Councilor Leach said it was important to state clearly that \$2.38 million, the figure in the 2008 CIP for the Wiswall Bridge, was not the figure for a project that this Council was committing to, and said she found it to be misleading, and something that would be misunderstood by residents. She asked if it could be lowered to what it was actually going to be, to avoid this kind of misunderstanding.

Councilor Morong said he agreed with Councilor Leach regarding this.

Administrator Selig said this was simply an engineering number to give some flexibility to the Council regarding the project it might want.

Councilor Leach said members of the Council had been pretty clear that they didn't want the Cadillac version of this project.

Administrator Selig said a range of options would be provide to the Council.

Councilor Needell asked why this amount of money was in the CIP for 2008, and asked if the project was going to be completed in 2008.

Administrator Selig said it was more likely that the bridge would be completed in 2009. He said the money needed to be put up in 2008 so construction could be done in 2009, explaining that there was a deadline to do the work in order to get the FEMA funds. He provided details on this.

Councilor Morong asked why the lower figure for this project couldn't be put in the CIP instead, and why the Council could later vote to spend more if it chose to do so.

Administrator Selig said putting this higher amount in gave the Council the authority to spend up to \$2.38 million. He said they could include no money for the project now, and then amend the Budget to reflect the exact amount that was decided on. But he said it was a cumbersome process to amend the Budget, and said he was trying to provide the Council with a way around this, while not committing it to spending the full amount.

Councilor Van Asselt asked whether, when the Councilor got the plan for the bridge, it would also get the arguments about why it could also not do the bridge at all. He noted that Administrator Selig had mentioned this on at least two occasions.

Administrator Selig said he had abandoned that idea because the strong sense he had gotten from the Council on two occasions was that the Town should do the bridge. He said if they abandoned this now, the Town would have already wasted a lot of money on the design.

Councilor Leach said she was comfortable having the number there as long as it was clearly stated that this was the high amount, and not necessarily the amount they were all planning for.

Administrator Selig noted that this high number didn't necessarily reflect a Cadillac bridge.

Councilor Needell said the Council had voted 5-4 to approve the Operating Budget. He said there were a number of things that were said earlier in the meeting that had made him think there were things people wanted to discuss regarding policy issues, which were probably not going to happen now. He asked what those Councilors who had voted not to accept this budget were hoping to accomplish if the motion to accept the budget had not prevailed.

Chair Niman said he wanted a 0% tax rate increase, for the reasons he had already stated and said he was willing to get there by using more fund balance. He said he also would have been willing to have a combination of using some fund balance and making specific proposals for cuts in the Budget.

Councilor Needell asked why Chair Niman was not willing to make those specific recommendations for cuts on their own merit.

Chair Niman said his sense was that the Council was happy with the Operating Budget as presented.

Councilor Van Asselt said if he were to put proposals for specific cuts on the table, the Council would vote no. He said it didn't make sense to go through this exercise when 5 councilors had said they were happy with the Budget as it was.

Councilor Leach said if the motion to accept the Budget had failed, she would still say it was up to Administrator Selig to make the cuts.

Councilor Needell said he wanted to be sure that the opportunity to discuss specific items had not been cut off.

Councilor Van Asselt said the choice had been made by the Council. He said he was not happy with the tax rate in Durham, and had seen the chance to have a 0% tax rate increase, but 5 Councilors hadn't agreed.

Councilor Leach asked if there was any interest by the Council in discussing the three things in the CIP that could impact the Operating Budget, and the tax rate: the cemetery wall, Road Resurfacing, and replacement of a Police Department vehicle. She also noted the two items in the Wastewater Fund.

She said she thought the road program was high. She asked if the Road Program could be adjusted so \$225,000 would be spent in 2008 instead of \$320,000.

Administrator Selig said they could do this, but said he felt that in the long run, the Town would wind up spending more money. He noted that there had been a lengthy debate about the Roads Program during the Budget discussion the previous year. He said he felt that \$350,000 per year was reasonable.

There was discussion that the Roads Program was the highest priority of the Public Works Department.

Councilor Morong said he looked at the Roads Program like he looked at shingles on his roof. He said if the roof wasn't repaired this year, the water would blow in and damage the sheetrock, which would cost more money down the road.

Councilor Van Asselt said the issue was whether the residents in Durham were willing to have their taxes rise, and said he thought they weren't interested in having this happen. He said the question was at what point enough was enough. He said Councilor Leach's questions shouldn't always be answered with words that Town staff were doing a great job, and should be answered as to whether the residents could afford this.

Administrator Selig said his perception was that the taxpayers of Durham wanted a responsible, meaningful Budget. He said the Roads Program was a thoughtful program that in the long run saved money. But he said if the Council as a group said that funds should be cut from it, a \$100,000 cut would impact the program, and the residents who lived on the road that was cut wouldn't be pleased.

Councilor Leach noted that some residents had come forward recently regarding road repairs needed on Cedar Point Road. She said she didn't think this was included in the \$320,000 Roads Program.

Administrator Selig explained that that \$7,000-8,000 had been included in the 2008 Budget to do two more gradings on Cedar Point Road. He explained that drainage was a major issue on this road, and said the Town engineer didn't have the time at present to do a drainage analysis. He also said that a boundary analysis was needed, and said the money that was needed for this, approximately \$30,000, was not included in the 2008 Budget.

There was discussion that residents of Cedar Point Road wanted the \$30,000 project. Administrator Selig said they would appreciate the additional grading on the road and would also like to see the engineering done, but he said they didn't care how it was paid for. He said there was nothing designated for this in the 2008 Budget.

Councilor Carroll noted that not all of the funds for road grading were spent in 2007, and was puzzled, since people had come forward saying their roads were terrible.

Councilor Needell MOVED to suspend the 10:00 adjournment time. Councilor Julian Smith SECONDED the motion.

Councilor Leach amended the motion, to extend the meeting to a fixed time of 10:30 pm. Councilor Morong SECONDED the motion, and it PASSED 6-3, with Councilor Van Asselt, Councilor Needell, and Councilor Stanhope voting against it.

The motion as amended PASSED 6-3, with Councilor Stanhope, Councilor Van Asselt, and Councilor Henry Smith voting against it.

Public Works Director Mike Lynch explained that the next grading of Cedar Point Road was scheduled for this week, which would deplete the rest of the money.

Councilor Needell asked whether the funding for the Oyster River dam engineering work belonged in 2008.

Mr. Lynch said the Town had applied for FEMA funding, and said in order to accept it, the Town needed to do the initial engineering to show that the damage had been caused by the flood.

Councilor Needell asked if this expenditure in the CIP was contingent on FEMA funding being awarded, and Administrator Selig said no.

Mr. Lynch provided details on this, and said a plus of this project was that the Town had to repair the dam anyway. He said he expected to hear from FEMA within the next few weeks, and also said the expectation was that the repairs could be carried out in the next year.

Regarding the proposed emergency exit for the Police station, Chair Niman asked if this was something that had to be done in 2008. He also asked whether this made sense if the Town was considering a future location for the Police Department, and said perhaps it could be deferred until it was determined if the present location would satisfy the Town's needs into the future.

Administrator Selig said the Police Department had lived without the emergency exit for many years, and he explained that the reason it was in the 2008 CIP was because of an inspection by the Fire Department. He said if the Council felt that this issue needed to be looked at in combination with a needs assessment concerning the future location for the Police Department, he wouldn't argue with this. But he said this would need to be done within a reasonable amount of time.

Chair Niman said he would like the Council to have a discussion on the Police station.

Councilor Henry Smith MOVED to move out to 2009 the police station emergency exit. Councilor Julian Smith SECONDED the motion.

Councilor Needell asked if the Police Department had expressed any concerns about the lack of an emergency exit.

Administrator Selig said no, stating that the Police Department was frustrated about the need for it. He said it was purely a code issue.

The motion PASSED 8-1, with Councilor Stanhope voting against it.

Councilor Leach MOVED to reduce the Road Resurfacing line item in the Operating Budget from \$320,000 to \$225,000 for 2008. Councilor Van Asselt SECONDED the motion.

Councilor Stanhope said the infrastructure in Durham looked tired, and said staying on a schedule for road surfacing was critical, or else there would be more costs down the road.

Councilor Carroll said she was very sympathetic to this motion, and said the only thing holding her back was the question of whether spending the money now would save money in the long run.

Councilor Van Asselt said he would support this motion because he was running out of places to address the fact that taxes were too high.

Chair Niman said that although he agreed taxes were too high, he agreed with Councilor Stanhope on this one.

The motion FAILED 2-7, with Councilor Leach and Councilor Van Asselt voting in favor of it.

Councilor Needell received clarification that if the Council took out the line item of \$400,000 in the 2008 CIP, the Library Board of Trustees could still spend it anyway. He said that at some point, there would be a referendum to bond the new Library, and said that was when the real decision would be made as to what was being spent. He said this particular line item was very nebulous, but said his understanding was that the Trustees anticipated moving ahead in some direction next year.

Chair Niman said that was true, but noted that the Trustees weren't allowed to own property, so the Town would be involved in that part of the process. He said he thought the dollars in the CIP now for 2008 were either to help offset the cost of acquiring a site, or just for architectural work, providing details on this.

Administrator Selig said this was a challenging item because there was no site yet. He said this created issues in terms of raising money, etc.

Councilor Leach said that regarding the Jackson's Landing project, her understanding was that the project was based on grant funds, so if they didn't come in, the project wouldn't happen.

Administrator Selig said money from the conservation fund could also be used for this project.

Councilor Leach said the way the project was described, she wasn't even sure it could be called a recreation project. She said it was really a conservation issue.

Administrator Selig said a conservation category could be created for next year in the CIP.

Councilor Leach said that regarding the athletic fields that were in the CIP for 2012, the goal of the playing fields committee was to come up with a more comprehensive plan, which might mean moving something like this amount of money up closer than 2012.

Councilor Leach asked whether the bonded amount in the CIP of \$135,000 for renovations to the Town Hall in 2009 was just a placeholder. Administrator Selig said yes, and provided details on this.

Councilor Needell noted the Fire Station Replacement in the CIP for 2011 and 2012, and asked if there was any reason for it to be there, when the Town had a lease with the University, with a two-year opt-out clause.

Administrator Selig said his feeling was that the Town would be there until the end of the lease agreement in 2019, unless the University opted out of this agreement. He provided details on the various things to consider concerning this arrangement.

Chair Niman said he didn't feel comfortable with the way the Town was proceeding concerning the Fire Station, and said he would feel more comfortable at least identifying a site for a new fire

station. He said he would feel more confident that a new building could be completed within a two year time frame if the site was established, and also said he would prefer working on the Town's schedule, not the University's schedule. He noted that the Town otherwise might have to spend more than it had planned to spend. He asked if there was a way to move the planning process forward faster.

Administrator Selig said this process had been started, stating that Town Planner Jim Campbell, Fire Chief O'Leary, and University planner Doug Bencks had narrowed things down to 3-4 potential sites.

Chair Niman said if the Town was going to do an analysis of this, it would be good to have a site in mind.

Councilor Needell said he didn't intend to lose sleep over this issue. He said it was the University's fire station as well, and said that when a new fire station was built, it would partner with the Town on this.

Chair Niman said the University sometimes moved quickly, and said he wanted the Town to be able to respond appropriately.

V. **Adjournment**

Councilor Van Asselt MOVED to adjourn the meeting. Councilor Henry Smith SECONDED the motion.

There was discussion as to whether the Town Council would need to meet on December 10th.

The motion PASSED 8-1, with Councilor Needell voting against it.

Adjournment at 10:30 pm

Victoria Parmele, Minutes taker