

This set of minutes was approved at the Town Council meeting on December 15, 2008

**DURHAM TOWN COUNCIL AGENDA
MONDAY NOVEMBER 10, 2008
DURHAM TOWN HALL - COUNCIL CHAMBERS
BUDGET WORK SESSION MINUTES**

MEMBERS PRESENT: Chair Neil Niman; Councilor Karl Van Asselt; Councilor Jerry Needell; Councilor Julian Smith; Councilor Henry Smith; Councilor Cathy Leach; Councilor Mike Sievert; Councilor Doug Clark

MEMBERS ABSENT: Councilor Peter Stanhope

OTHERS PRESENT: Town Administrator Todd Selig; Business Manager Gail Jablonski; Town Planner Jim Campbell; Public Works Director Mike Lynch; Town Engineer David Cedarholm; Town Clerk-Tax Collector Lorrie Pitt; Library Director Tom Madden; Fire Chief Peter O'Leary; MIS Coordinator Luke Vincent; Code Enforcement Officer Tom Johnson; Police Lieutenant Sean Kelly

I. Call to Order

Chair Niman called the meeting to order at 7:03 PM.

II. Overview and initial discussion on the Town Administrator's Proposed FY 2009 Operating Budgets, Capital Budget, and 2009-2018 Capital Improvement Plan

Administrator Selig explained that he had provided a generic overview of the Budget and CIP at the last Council meeting. He said there was a major item in the 2009 Budget and the CIP regarding development of the Spruce Hole aquifer in 2009, which would cost \$615,000. He said the University would pay 2/3 of the cost for this, and the Town would pay 1/3. He said the Town's portion would be funded through the UDAG fund and the Water Capital Reserve fund. He said the aquifer was an important resource in terms of economic development, as well as to provide a long-term water supply for the Town.

Administrator Selig said Town Engineer Dave Cedarholm and the Town's water resources consultant Mike Metcalf were present to discuss this issue. He also noted that representatives were present from Emery and Garrett, the groundwater engineering firm the Town had hired for the aquifer analysis and development.

Mr. Cedarholm provided a slide presentation on the Town's water sources, and provided details on the estimated sustained capacity of these water sources.

Sustained Low Flow System Capacity (8-10 weeks of no rain)

Existing Sustained System capacity

0.54 MGD (Lee Well) + 0.07 MGD (Oyster River) + 0.26 MGD (Lamprey River) = 0.87 MGD

New Sustained System capacity with Spruce Hole well

0.87 MGD + 0.4 MGD = 1.27 MGD, or 1.01 MGD without the Lamprey River.

Mr. Cedarholm said the capacity, using the Spruce Hole well and the Lee well was fully sustainable without using either one of the rivers. He said this was really important, and basically doubled the Town's water supply. He said it increased the groundwater sustainability by 45%, and would be key in terms of future economic development and moving into the future.

Consultant Mike Metcalf next provided a detailed history of the use of the Town's water resources. He noted that the use of the Spruce Hole aquifer was first recommended in 1989, and said this included a recommendation to protect the land around the aquifer, which was the only stratified drift groundwater supply available for Durham. He said he had seen groundwater supplies like this in other towns get covered by land development, and said it had been the right thing to do for the Town and the University to purchase the land in that area. He noted that a lot of work had been done over the past twenty years on studying the aquifer, including studying the relationship between the aquifer and the Spruce Hole bog.

He said in the 1990's it was observed that water demand and water supplies in Durham were coming closer together over time. He said going out to 2010, demand outstripped the capacity provided by the Lee Well and the Lamprey River, and said bringing the Spruce Hole well online would buy 12 more years of being able to meet the demand.

He spoke about the existing water mains the Town had put in, including the line down Mill Road, which was currently underutilized. He said a variety of alternatives for using existing and new water main had been looked at, and he described various considerations for each of these options. He said one of the options would allow the Town to use the existing main coming from the Lamprey River pump station to recharge the Spruce Hole aquifer, where the water would then be filtered in the ground.

He said this was a way to provide storage for Lamprey River water during periods of high flows, and said this water could then be pumped at a later time when it was needed. He said this approach provided a really good opportunity to use both the Lamprey River water as well as to bring another water source online for the Town.

Jamie Emery of Emery and Garrett next spoke to the Council. He said the Town would be faced in the future with a different climate in terms of permitting, noting that the issues presented by the USA Springs permitting process were a major cause of this. He said legislation was expected that would bring about more local control of water supplies, which would result in longer permitting processes. He said the longer the process of developing the aquifer was delayed, the more difficult the permitting process would be.

Mr. Emery said a preliminary report had been completed on the Spruce Hole aquifer. He said NHDES had provided comments on the report and had granted preliminary approval to move forward. He said the opportunity had been provided for preliminary public hearings, but said there

had been no request for a hearing, and said there was no requirement to have the hearing. He said there had been a public information session, which citizens from Lee and Durham had attended.

Mr. Emery said the next task was to determine the exact location for the well, based on geophysical surveys in order to determine the best possible yield that could be obtained from the aquifer. He described the process of drilling the well, and said once it was in place, it would need to be determined what the sustainable yield would be, as well as the impacts of the well on Chesley Brook, wetlands, and wells in the area. He said some micro wells would be installed in and around the Spruce Hole bog to monitor this, and he noted that there was already sufficient information that the bog was perched above the groundwater table. .

He said once the monitoring points were in place, a long-term pump test would be conducted, and a numerical model would be developed to assess groundwater flow. He noted that water pumped out during the pump test would be discharged a fair distance away in order not to impact the analysis of the aquifer. He said the numerical model would be used to determine the actual recharge area to the well, and what the zone of contribution would be under different pumping rates and climatic conditions. He said the information obtained by these various analyses would ultimately determine the wellhead protection area, which was needed as part of the permitting process.

Mr. Emery said the final report would then be submitted to NHDES, and said there would be a public hearing. He said NHDES would then provide the final approval or denial, and he said an approval would include a determination of how much water could be taken out of the aquifer.

Mr. Emery next spoke in detail about the approach of artificially recharging of the aquifer with water from the Lamprey River. He noted that Dover currently used this approach, taking water from the Isinglass River during periods of high flow, and used the water that had been stored in the summer. He said an advantage of this approach in Durham was that the pipe from the Lamprey River was already in place.

He said the new well would help the Town with economic development objectives, and would also provide greater diversity in the Town's water supply. He noted that Portland, Maine was totally dependent on its surface water supply, and had therefore decided to try to obtain some groundwater supplies. He said the Spruce Hole aquifer was an option for Durham that would provide very high quality water, and he noted that the land surrounding the aquifer could be protected, something that was difficult to find in other towns. He said Durham was not likely to find a better time than the present to negotiate the price for land.

He also noted again the fact that permitting would be more difficult in the future, and also said construction costs would be higher. He said the Lamprey River was not a sustainable solution for the Town's water supply, given the fact that the minimum flows occurred there at the time when the water was needed the most.

Mr. Emery spoke further about how surrounding towns like Dover, Rochester, Newmarket, and Portsmouth were either investigating or developing new sources of groundwater supplies, and said some were involved with artificial recharge approaches as well. He said Durham was one of the top five groundwater opportunities he had seen, out of over 150 projects he was currently involved with.

He said it was a good, high quality water source, there was some existing infrastructure, and the land uses in the area could be controlled.

Councilor Sievert asked for details on the areas near the Lamprey River that could be tapped to obtain the artificial recharge water. Mr. Emery spoke in some detail on this, and noted that it wouldn't be an especially costly thing to do. He noted that this could only be done in the winter.

Councilor Sievert said he was aware of the changing DES regulations, and said his understanding was that this would have an effect on private water users.

Mr. Emery said the regulations were not yet in place for public water supplies, but said he had been informed that there had been some proposals to expand this regulation to public water supplies.

Councilor Clark asked if the reason Durham didn't draw more water from the Lamprey River was the 401 certificate.

Mr. Cedarholm said not entirely, and explained that getting water from the Lamprey River was more expensive as compared to the Oyster River because of the distance the water had to travel to get to the water treatment plant.

Councilor Clark asked if the way the recharge would work would be sustainable over time.

There was discussion on this, with Mr. Cedarholm and Mr. Metcalf explaining that the idea was to recharge the aquifer as much as possible over the winter and spring, when there was plenty of water available from the Lamprey River. Mr. Metcalf provided details on the artificial aquifer recharge Dover was doing, using both the Isinglass River and the Bellamy River.

Councilor Clark asked if it would be possible to get the rights to the land, and the permits, without building anything for a period of time. There was discussion.

Councilor Leach asked if the \$615,000 in the Budget and the CIP for Spruce Hole included the cost of getting the permits.

Administrator Selig said it did, and said it also included the sinking of a production well, the testing that was required, and the beginning stages of the artificial recharge process. He said the urgency for proceeding would end at that point, and said hooking into the distribution system would then depend on a private developer coming forward. He said the developer would be expected to contribute to the production cost.

Councilor Leach asked if there was a risk that half way through this process, it might be found that there was a big impact from the well on the people who lived near the aquifer.

Mr. Emery said he was confident that they would get through this process without a fatal flaw. He said if such a thing happened, the situation would need to be re-evaluated, and he spoke in some detail on this. But he said he believed there was enough evidence that there was a high yield and

high water quality, although noting that things like impacts on the wetlands could affect the permitting process.

Councilor Julian Smith asked at what point, in the expenditure of \$2.8 million, it might be found that there was a fatal flaw.

Mr. Emery said if there was one, it would be identified with the first \$380,000, involving the putting in of the well.

Mr. Cedarholm said in Newmarket, the fatal flaw was that the well that was drilled didn't yield enough, and he noted that they were mitigating this situation with artificial recharge. He said Durham had a fantastic opportunity with the artificial recharge opportunity to mitigate some possible impacts.

Councilor Sievert said his understanding was that some of the risks had already been studied through UNH investigations.

Chair Niman noted that there was already some movement to make the Oyster River a protected river. He said if the river reached that status, someone from NHDES would want to put a water quality certificate on it. He asked how much capacity would be cut if this happened.

Mr. Metcalf said if the Oyster River obtained a protected river status, this would mean that the in-stream flow rules would apply. He provided details on this, and said this could impact the Town's ability to draw from the river.

Councilor Julian Smith said that 4-5 years ago, Mr. Metcalf had recommended a modification of the 401 restrictions, and he asked him if he thought this was still an option.

Mr. Metcalf said he thought that the Town should at least be able to go to 1 inch of drawdown per day, and there was discussion on this. He then spoke further about the idea of artificial recharge of the aquifer, using Lamprey River water, and said the idea was to take some of the water out when it was available.

Councilor Sievert asked what the benefit would be of designating the Oyster River a protected river, when the Town was already trying to modify the Lamprey River 401 permit.

Mr. Metcalf said from a water supply point of view, he wasn't sure there was a benefit. But he noted that there were other water resources benefits from achieving the protected river status.

Administrator Selig said the Strafford Regional Planning Commission and the Oyster River Watershed Association were pursuing this. He noted that much of the Oyster River was located upstream from Durham, and said an advisory committee for the river would allow better coordination of efforts to protect the river. He noted that this might result in better water quality for Durham.

He also spoke about the fact that the in-stream flow rules would come into effect for the Lamprey River over the next few years, and it was noted that they would be more restrictive than the current requirements.

Councilor Clark asked if the Spruce Hole project would get Durham through the next 100 to 200 years.

Mr. Metcalf discussed this. He said that since he had first talked about the water supply issue in 1989, the Town had come close to needing the aquifer. He said developing it would get the Town through another 12 years under a low flow situation, and he noted that this project didn't include having the artificial recharge from the Lamprey River.

Mr. Cedarholm said the trend of how long the water supplies would last related to how much water each water user used per day. He said the trend now and over time was to reduce per capita use of water down to 30-40 gallons per day. He noted there was the same kind of trend for fuel consumption, and he also said that water use represented energy use, providing details on this. He said he didn't think Durham would be looking for other water supplies in the future.

CIP

Spruce Hole Aquifer

Councilor Needell said he had heard from the previous discussion that the proposed expenditure for the Spruce Wood aquifer in 2009 could be separated from the expenditure in 2010.

There was discussion, with Administrator Selig stating that he would not be surprised if this next phase took two years to accomplish.

Councilor Needell said it was his understanding that there would be no tax impact from the Spruce Hole project proposed for 2009, and Administrator Selig said that was correct, stating that it wouldn't impact tax rates or water use rates. He noted that he had left out the cost sharing aspect of the project, but said he assumed that there would be agreement with the University on sharing the cost.

Councilor Needell asked how certain it was that the University would actually pay the \$410,000, if the Town committed to the total expenditure of \$615,000.

Administrator Selig said this would be confirmed before the Town signed the contracts on the next phase of the project. He noted that to cover the Town's share of the project (\$205,000), \$150,000 would be taken from the UDAG fund, and \$55,000 would come from the capital reserve account.

Library

Administrator Selig said the CIP showed funds for a new Library that the Library Board of Trustees had. He said no funding through tax payer dollars was included.

Councilor Leach asked if it was perhaps time to put a Library-related item on the ballot, and Administrator Selig said he felt it was too early to do this. He said without a site plan or an architectural plan, he didn't know how residents could vote on it. He said once these things were available, a site had been identified, and firmer costs had been obtained, then it would be time to move forward with this project. He noted that the operational budget kept the existing funding for the Library, with the exception of the full time salaried employee.

Councilor Leach asked how the Town would decide whether to do the dredging of Mill Pond.

Administrator Selig noted that because of flooding in recent years, there were structural problems with the Oyster River dam. He said an engineering analysis was expected on this in December. He said the impoundment had become an important part of the Town, from an aesthetic and cultural point of view. He said the first question was what repairs would be needed for the dam, and said if modest repairs were needed, and the Town chose to keep the dam, there should be further discussion about dredging the impoundment.

He said if the Town went ahead with this, he didn't propose to use General Funds for this, and said the proposal in the CIP indicated that the money for this would come from the Conservation fund. He said he had conveyed to the Conservation Commission that he was not necessarily expecting them to utilize these funds. He also noted that a problem with dredging was that the impoundment would fill back in again over time, so an ongoing maintenance process was involved.

Chair Niman said he had spoken with a consultant when he was at a gathering at the Wiswall dam regarding the fish passage project, and was told that it would be expensive to repair the Oyster River dam.

There was further detailed discussion by the Council on the dredging issue and possible repairs to the Oyster River dam and whether the item on the Mill Pond dredging in 2009 should be left in the CIP for now.

Councilor Henry Smith said the Conservation Commission could contribute the whole amount, part of it or none, for the dredging. He said to him, the issue was that whether or not the dam should be repaired depended on the cost, and he also said replacing the dam would not be possible because of the cost. He said the HDC had discussed this issue at its recent meeting, and he noted that commission member Andrea Bodo was looking for external funding sources in order to be able to do the repair without the Town having to foot the bill.

Councilor Clark said he would like to see how the costs of Public Works Department projects that were outsourced compared to the cost of projects that were done internally,

Councilor Leach asked Councilor Clark if he had a specific project in mind, and he said it was more of a general comment. Councilor Leach said this was perhaps a discussion that the Council could have separate from the Budget discussion.

Administrator Selig said that with respect to the projects in the CIP, the strategy of the Public Works Department was to staff minimally, in part so that it would not be artificially bringing capital

improvement projects forward. He said that for specific projects like road resurfacing, the Town typically contracted this out because it couldn't afford to purchase the kind of equipment needed to do this work.

Councilor Leach said Administrator Selig had indicated on page 44 of the CIP that there were State funds estimated at \$225,000 each year, which came back into the budget to offset the \$153,000.

Administrator Selig said that was correct, and said in addition to the \$153,000, there was another \$50,000 included for the Main Street West project, as well as funds for the Park Court drainage project and the Cedar Point Road work. He said most of those last two projects would be done in house. He noted that there was a 3-person highway crew, and said diverting that crew to specialized jobs meant that the other work they were supposed to do wouldn't get done.

Councilor Sievert said the majority of the highway projects couldn't be done by 3 people, and he also said the Town didn't have the equipment for this. He said Town staff did enough smaller projects, and he said most towns contracted out most of the highway projects, so it didn't need to have so many employees on staff.

Chair Niman asked if perhaps Councilor Clark was trying to get a sense of what Public Works employees did on a daily basis.

Administrator Selig said Town staff could put together something on this. He said part of the challenge was that decision-making concerning projects occurred over a long period of time. He also said the Town had not done a good job of comparing how it stacked up against other communities in this respect. He said he thought they could get at some of that, so Councilors would feel more comfortable looking at staffing patterns.

Councilor Leach said she didn't want the Council to micromanage this.

Chair Niman said he remembered being on the Council with John Kraus, when questions were asked about what Town employees did. He said what he thought Councilor Clark was getting at was that more detail was needed, so Councilors would have a better sense of what the mix of responsibilities was for different positions, and what amount of time was spent on various kinds of work. He said if this could be done as some kind of standardized thing, he didn't think the wheel would have to be reinvented every year. He said a general sense of this was needed.

Administrator Selig agreed, and he provided details on how the Town would approach this. He also said Town staff was looking at some measures to see how Durham compared with other towns in terms of population and equalized valuation per capita. He showed a chart concerning this, and noted that the Town's equalized valuation figures were lower than for other towns, and that this indicated that the Town needed to do more to increase the tax base. He said the approach of making a comparison with other towns could be expanded to look at other areas of Town operations.

Chair Niman and Councilor Clark encouraged Administrator Selig to go further with this process.

Operational Budget

Administrator Selig noted that department heads were present to answer questions Councilors might have on various aspects of the Operational Budget.

In answer to a question from Councilor Leach, Administrator Selig provided details on the Budget proposal to use temporary service out of rank at the Fire Department in order to stabilize at \$160,000 overtime costs associated with fire suppression. He explained that the Town would use senior fire fighters instead of captains with appropriate training to lead a shift at specific times of day. He said this would result in some savings, and said he therefore believed that the \$160,000 could be retained as it was.

Councilor Leach said it sounded like Administrator Selig had discussed with UNH the possibility of reducing the Fire Department down to a 4-person shift, and UNH didn't want this.

Administrator Selig said there had been discussion with UNH about having a 4-person shift at certain times of the year. He said an analysis had indicated that it would be possible to save \$11,000 per year by making staffing reductions in the summer.

There was discussion as to whether there were other times of year when this might be possible. Administrator Selig said there had been discussion on this with UNH, but he said that overall, he was not comfortable proposing that kind of drop down. There was discussion on whether there was appropriate data available to get at this issue. Administrator Selig said that call data wasn't available, although there was data on times of day, times of year, etc.

There was next discussion on the \$40,000 salary freeze that had been recommended in the Budget for non-unionized salaried personnel. Councilor Needell said the Town had done a great job of putting forth a Budget that attempted to be responsive. He said there were some things he would have liked to see funded, but he realized this wasn't a good time for that. He noted that the road program cuts bothered him tremendously.

But he said the \$40,000 salary freeze really stood out to him, and said it was essentially a salary cut because it wouldn't allow salaries to keep pace with inflationary costs. He said he was trying to figure out if this was appropriate or necessary. He noted that the contingency fund was being increased by \$50,000, and said he was far less concerned about the contingency fund than he was about staff salaries.

Administrator Selig spoke in detail about the approach he had taken, taking into account a number of factors. He then said it was realized that by not providing a wage increase for nonunion employees in 2009, these wages would start to lag in reference to the overall market. He said employees might decide to go elsewhere, but he said the data told him that for the most part, this wouldn't happen because the Town was still paying a competitive rate.

He also noted that Durham was not the only community struggling right now. He said he hoped the nonunion employees knew that he did appreciate them, and he said they understood that there was a recession. He said the Town was currently appropriately minimally staffed, so there was no need to cut back further on staffing.

He then spoke about the importance of including additional contingency funding so that the Town would be in a better situation if unexpected things happened. He noted as an example that if the Town had difficulties obtaining the interest rates it had planned on, it might need to fall back on these funds. He said if the money wasn't needed, it would be added to the fund balance.

He said if the Council thought that the Town should continue to offer nonunion employees a cost of living increase, he wouldn't argue against that. But he noted that the proposal to not provide this increase was a show of good faith, and said the employees had stepped up to the plate to offer this proposal.

Councilor Needell asked Administrator Selig what the first thing would be that he would put back in the Budget, if the Council gave him back the \$40,000.

Administrator Selig said he would put back some more roads projects, noting there was the issue of whether it would cost more in the long-term to do the work on these roads if they were not repaired on schedule.

Councilor Henry Smith said that the Budget proposal represented a decrease in 2009 from the 2008 Budget. He asked whether, if there were instead a level-funded Budget, this would enable them to retain the police officer position that had been eliminated for 2009.

Administrator Selig said there was certainly ample justification for the 19th police officer, and said he was proposing that this reduction be made in an area where it was likely that there would be an impact in terms of services. He said this would come in the form of calls to the department that would back up. He said it wasn't known how often that would happen, and also said the reduction would take a toll in terms of officer fatigue. But he noted that the position hadn't been eliminated, and was in the CIP.

He spoke again about what he would do with the \$40,000 if the Council decided to keep it in the Budget. He said his first choice would be to put this money in the Roads program; his second choice would be to put back the police officer position; and his third choice would be to address nonunion wages.

Administrator Selig encouraged the Council to think about creating some new offerings in terms of recreation. He said the Recreation Committee was open to looking at win-win opportunities with other organizations, including leveraging Town and other funding. He said there was the potential to use the contingency fund for something like this.

Councilor Leach said she felt the Budget was very responsive to what the Council had talked about in June, and was a really good Budget. She said Administrator Selig and Ms. Jablonski had been realistic about what could be done next year, and said she appreciated it that they didn't provide a list of proposals that would upset people. She said she was inclined to say that the Council should go with the Budget that had been provided.

Councilor Needell said there were two Budget proposals he would like to hear more about. He said the first was the anticipated \$190,000 payment from UNH, and the second was the change in funding concerning EMS services.

Administrator Selig said there had been a drop of about \$200,000 in revenues in large part because there was a drop in funding from motor vehicle registrations. He also spoke about the fact that there had been ongoing discussion with UNH about the various impacts it had on the Town. He said an analysis done by consultant Russ Thibeault had estimated that this impact cost the Town about \$550,000.

He said after considerable discussion, he believed there was recognition that there was in fact this fiscal impact. He said the Town had been trying to specifically demonstrate this impact, and so far, had been able to demonstrate that it was within the \$200,000 range. He noted that the number was still being worked on, and that the UNH Trustees had not approved it yet. But he said this year, he felt it was responsible to include this amount in the Budget, and said that although it was not a sure thing, he felt the Town would receive that approximate amount of revenue. He said he would bring a draft report on the UNH issue forward in 2009.

Administrator Selig said another challenge regarding revenues was that that the projected recycling revenues (\$60,000) for 2008 were likely to be inflated. He said demand for recycled materials had decreased so prices had decreased, and said the Town might even have to pay to have recyclable materials taken away. He noted that this would still be cheaper than sending the recyclables to the landfill, but he said this did impact revenues.

He next spoke in detail on the EMS services issue, and noted that this was an historical issue for the Town. He said the cost right now to McGregor was \$40,000. He said the Fire Department had argued for years that it would be possible to take on the ambulance function, provide a higher level of service, and provide additional readiness to the Fire Department. He provided details on this, and said while he felt that such an approach would enhance service levels, he wasn't convinced that there would be cost savings.

He also said a challenge the Town had had, in accurately assessing this, was that the Fire Fighters Association argued that if this happened, Fire Department employees should be paid more. He said this hadn't been negotiated, so it was hard to estimate what the costs would be. He said McGregor in the mean time had come forward with a series of proposals, one of which was that if it were a backup system for the Town, it would charge the Town more. He said another option was to enter into a three-year proposal. He provided details on this.

He said over time McGregor has become more of a private ambulance service, and said another option was for the Town to put out a request for proposals for ambulance services, to see what other providers might propose. He said there was no downside to this, and noted that this was not driven by dissatisfaction with the services provided by McGregor. But he said the Town was at a point where the status quo was not acceptable. He commended the Fire Department for its willingness to look at this issue.

Councilor Leach summarized that McGregor knew this was happening, and that as part of the three year, plan, both entities would sharpen their pencils to figure out what would be most cost effective as well as maintain services for residents.

Administrator Selig said that was correct, and said McGregor had forwarded the Fire Department a draft 3 year agreement. He said benchmarks would be developed in order to allow the Town to make some measurements about improvements over time, and also so McGregor would know what it should be aiming for.

Councilor Van Asselt said he supported the Budget that had been developed, and said it provided what some Councilors had asked for. But he said he thought the Town needed to be more creative about the roads issue. He said there wasn't anything in Town that was more aggravating than bad roads, and said he would like the Council to think about a bond issue for next year, and to ask residents if they were ready to do something like this.

Regarding the nonunion employees issue, he said he believed that employees should be measured on their performance, and he said if they were doing what was asked and more, they needed to be fairly compensated. He said with this Budget, Administrator Selig was telling the Council that the nonunion employees were fairly compensated. But he said he had a difficult time saying that cost increases didn't affect them.

He said he felt the Town needed to come up with a more creative way to compensate nonunion employees if increasing salaries wasn't an option. He said there was a \$10.5 million Budget, and said he didn't see why \$40,000 couldn't be found. He encouraged Administrator Selig to come back with a way to compensate nonunion employees in perhaps a non-salary way, and said he would support this.

Councilor Clark said he sat on three committees, including the EDC and the Energy Committee, and said there was the potential with some of the plans of these committees to transform the Budget process. He asked when the proper time was to introduce the kinds of ideas these committees were looking at, to see if they could perhaps be integrated into the Budget process. He said he believed it was investments in infrastructure that would allow the Town to create more sustainability over time. But he said it was rare that that the opportunity presented itself at the Council table to discuss these kinds of investment issues.

Administrator Selig said it would be helpful to have those ideas and proposals in hand earlier in the year so they could perhaps be built into the Budget. But he also said Councilor Clark didn't need to wait until the early stage of building the Budget began. He said Councilor Clark should come talk with him about how these ideas might be integrated.

Regarding Councilor Van Asselt's comments, Administrator Selig said the Town's non-unionized salaried employees worked very hard, and said he would love to be able to provide them with the wage increase. But he said what he had recommended was as good as he could do, based on how he prioritized things. He noted that there had been a lot of discussion with staff about this issue.

He suggested as a possible non-wage compensation approach, delaying the final phase of the co-pay increase by a year. He suggested that another possibility was to see how things shook out, and

whether more revenues would come in than was anticipated. He said if this happened, perhaps the wage increase could be reconsidered.

Councilor Needell said that regarding Councilor Clark's comment, it was hard to have discussions about long-term plans when looking at next year's budget. He said he believed the time period between January and March was an underutilized period for discussion, and he encouraged bringing up the kinds of issues Councilor Clark was talking about at that time.

It was noted that Councilor Clark could request that there be an agenda item to discuss the kinds of things he was talking about.

Councilor Clark said public transportation and renewable energy were some of the big issues he wanted to talk about, but didn't necessarily fit into a Council Communication. He said some small investments in infrastructure could be paid back fairly soon, and could help the Town to stabilize its tax rate. He said there could be a conversation on this, and on the fact that everything in the Budget shouldn't be an expense, and that investments could actually create a return over time.

Councilor Leach said Councilor Clark could develop a plan to provide to the Council, and said this could start out as a Council Communication. She said the conversation could then take place over a period of time.

Chair Niman said there could perhaps be a special work session on this

Councilor Julian Smith said he supported the dredging of Mill Pond, and said a rationale for doing this was that there was a huge amount of "unwanted vegetation". He then spoke about another kind of unwanted regulation and said he wished the Town would get serious about harvesting wood from Town lands, not only for the wood that would be obtained but also in order to provide some protection from fires. He said he worried about all the dead wood on Town properties, and said there could be bad fire if there was another drought.

Chair Niman said the public hearing on the Budget would be held at the next Council meeting, followed by discussion by the Council.

III. Adjournment

The meeting ADJOURNED at 9:45 PM.

Victoria Parmele, Minutes Taker