

**This set of minutes was approved at the Town Council meeting on December 21, 2009**

**Durham Town Council Agenda  
Monday November 9, 2009  
Durham Town Hall - Council Chambers  
8:30 PM  
MINUTES**

**MEMBERS PRESENT:** Chair Neil Niman; ; Councilor Jerry Needell; Councilor Julian Smith; Councilor Doug Clark; Councilor Peter Stanhope; Councilor Diana Carroll; Councilor Robin Mower; Councilor Karl Van Asselt; Councilor Mike Sievert (arrived at approximately 8:45 pm)

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Town Administrator Todd Selig; Business Manager Gail Jablonksi; Police Chief Dave Kurz; DPW Director Mike Lynch; Fire Chief Corey Landry; Library Director Tom Madden; Director of Zoning, Building Codes & Health Tom Johnson; Manager of Information Technology Luke Vincent; Parks and Recreation Director Mike Mengers

**I. Call to Order**

Chair Niman called the meeting to order at 8:38 pm. He suggested that Councilors should first ask department heads general questions, and also said Councilor Mower would like Administrator Selig to go through the various Budget reductions. He noted that the proposed Budget Administrator Selig had presented, if not changed, would result in a 0% increase in the tax rate, and reflected an \$83,000 reduction in spending.

Councilor Carroll noted that there were some proposed increases in spending as well, and said perhaps these items could also be discussed.

Councilor Mower referred to the 45% increase in asphalt prices as compared to 2008, and asked DPW Director Mike Lynch what the projection was for these costs over the next few years.

Mr. Lynch said the department had asked about this, but said companies typically didn't show their hand concerning asphalt costs. He said the number quoted for next year would therefore be used. He said typically, asphalt costs were tied to the price of oil, but said while the cost of most products made with oil had gone down, asphalt had not, which was troubling.

Councilor Mower asked Mr. Lynch how it was decided that hiring a junior engineer was the best route to take, rather than contracting out some of the Department's work. She also noted that the Council had received an email regarding the training involved as well

as the turnover rates with junior engineers.

Mr. Lynch said the DPW could do things better and cheaper in-house. He also said Administrator Selig had asked them to look at all of their operations to see what they could do with additional staffing, and he provided details on why hiring a junior engineer was a good idea.

Councilor Mower noted the proposed cutbacks in the stormwater budget, and asked what the Town was not going to be able to accomplish in terms of meeting federal mandates, as a result of these cutbacks.

Mr. Lynch provided details on the dramatic improvements in terms of water quality that would result from these federal mandates, but also noted the significant amount of work involved with meeting the new regulations. He said a significant amount of sampling would be required as part of this.

Councilor Mower asked if there would be penalties for not meeting the regulations.

Mr. Lynch said the rules would be in force, but said it was debatable whether there would be enforcement.

Councilor Carroll asked Mr. Lynch if he had thought about tapping into volunteer efforts to do some of the monitoring that was required as a result of the new regulations.

Councilor Mower noted that she had suggested this a few months ago.

Mr. Lynch said he had thought about this, and said his department could implement something like that if there was a good volunteer base. He said this would require some recruiting.

Councilor Carroll said those residents watching the meeting should consider this.

Councilor Needell noted that for the second year in a row, the budget for the Roads Program had been cut way back. He said part of the rationale for this was costs, and also that the roads weren't in such bad shape, and looked ok. But he said what was proposed would significantly impact the DPW's 14 year Roads Program, and asked how bad this would be, and also if there were any other choices that could be made.

Mr. Lynch said with roads that were still in ok shape, if something wasn't done to them within the next few years, they would need more than just a shim and an overlay, and instead would need to be reclaimed. He spoke in detail on this.

Administrator Selig said reclamation was 2-3 times as expensive as an overlay. He spoke in some detail about the review that had been done of the condition of the Town's roads, and the decision to hold off on repairing roads other than Wednesday Hill Road and Strafford Ave.

He said they were playing the odds, but explained that his philosophy this year, because of the recessionary environment, was that it was a time to take some chances. He said perhaps it would be a mild winter, and also said perhaps the cost of asphalt might go down.

Mr. Lynch noted that Strafford Ave. wasn't used that much by residents. But he said in its present state, it could be a possible liability for the Town. He also explained that in order to be able to do a few more roads, the DPW had looked at the idea of eliminating the shim on a road and just doing the overlay, and conversely, doing the overlay but not the shim. But he said that approach wouldn't move a road down to the bottom of the Road Program list.

Councilor Needell asked how long things could go on this way, and at what point the Roads Program would have to be scrapped.

Mr. Lynch said when as he had updated the list for the past two years, he had started from scratch and had looked at every single road in Town.

Councilor Mower noted that this translated to more hours spent by staff on evaluating the roads.

Councilor Sievert asked if the junior engineer position was needed because of the new stormwater rules or because the DPW was behind in general.

Mr. Lynch said the new stormwater rules were a factor, and said another factor was the projects that had resulted from the federal stimulus funds. He also said there hadn't been time over the past several years to update the Town's wastewater ordinance. He said instead of contracting this out, the DPW wanted to keep the \$4,000-5,000 this work would cost and have the junior engineer work on it.

Councilor Sievert said he generally agreed with this approach, and also noted that there would be more inspections needed out in the field. He said his only concern, based on his own experience, was that hiring a new engineer just out of the University took a lot of time in terms of training, when the DPW was already stressed in terms of its workload. He said hopefully the person would stay, but said if not, this could be a waste of time.

Mr. Lynch said the goal was that the engineer would stay with the Town 3-4 years. He also said the level of work involved wasn't that complicated, and noted that much of it involved sampling.

Councilor Clark said his sense was that every community was having this discussion about the price of asphalt, which was artificially induced. He said if Durham and other towns cut back, he had to believe that the price would start to correct itself. He said he therefore didn't think the Council should go out of its way to fix the asphalt budget until the price came down.

Councilor Clark also asked if the decision to address the Morgan Way intersection had directly impacted the decision to reduce the Road budget by so much.

Administrator Selig said no, but said the decision to address Morgan Way did reflect a desire to improve that roadway. He noted that the Town hoped to take advantage of funding from the State for the intersection, although he said it was not clear when the Town would get the funding, so bonding the project made sense.

Councilor Clark asked if the DPW had looked at different options for Morgan Way.

Mr. Lynch said they had looked at blinking lights, signage, brush removal, modification of the stone wall, moving out of the guard rails, etc., with the State. He said because they were dealing with a State road, they had to use a design the State approved.

Chair Niman questioned whether the Town would ever see this money back from the State, and provided details on this, stating among other things that he doubted there would be more stimulus funds coming to the State from the federal government. He asked if the Town could therefore be designing a solution for a project the Town would never see the money for.

Administrator Selig provided details on the process involved. He said the NHDOT had told the Town that once a project was approved and slated for their program, the agency had never defaulted. But he said there was a leap of faith required on the Town's part because the State hadn't had these kinds of budget difficulties in recent memory.

He said it would probably take a year for the design work to be done, and said at that time, the Town could see where the State was in its budget cycle, and whether it had the money to support the project. He said the Town could then decide if it wanted to proceed. But he said the first step was to allocate the money.

Mr. Lynch said NHDOT had tentatively said the Town would see the money by 2013. He said he believed the Town would see the money, but said it was a question of whether this would be in 2013 or sometime later than this.

Chair Niman summarized that he had just heard that the whole amount needed would be put in the Budget for 2010, and that \$40,000 of this would be needed for the design work. He said he had also heard that in a year, the Council would then decide if it wanted to bond the rest of the project, and at that point it might decide to shelve it because it didn't think the State would ever provide the money.

Administrator Selig said the proposal was to bond the entire project, and move forward with the engineering with all due speed. But he said he anticipated things could slow down because of State and Town scrutiny of the proposal. He noted that the State had been getting bogged down for various reasons. But he said the residents of the neighborhood and the Police Department were very concerned about the intersection, so wanted it to move forward with due speed.

Chair Niman said he did not doubt that there was a safety hazard, but said he was very uncomfortable putting up money for a State road. He said the Town could make a good case to the State that the Town should not have to pay a nickel, and that the State should fix this intersection sooner rather than later because of the accident history there. But he said his concern was that if the Town put up the money, it might not get that money back. He spoke in detail on this.

He said that was not to say that for the safety of the residents, the Town shouldn't decide to fix the intersection. But he said he was trying to get a sense of whether the Town should just go ahead and put up a blinking light and be done with it, because the State was never going to pay the Town back.

Administrator Selig said a challenge was that he didn't think the State would allow the Town to put up a blinking light. He agreed there were no guarantees.

He said the Town could also consider working through the regional planning process to reallocate the dollars from the Route 4 off ramp signalization project to this project. But he said there was no guarantee the State could be convinced to reallocate funds this way. He also said DPW staff felt the off ramp project would have a much broader benefit to the region than the Morgan Way turning lane, so would rather see State dollars go to it.

Councilor Mower asked if it was known what the accident threshold had to be in order to convince the State to pay for this.

Police Chief Kurz said if there was such a threshold, NHDOT was keeping it a secret.

Councilor Mower asked Chief Kurz to share the accident history at the intersection of Route 4 and Morgan Way with the he public.

Chief Kurz said the intersection was identified in a 2000 Route 4 Safety Study. He said since 2003, there had been 23 accidents there, and said what solidified his concern about it was that all but two of the accidents had involved personal injury, mainly because of speed.

He said the last two accidents this year had involved relatively serious personal injuries, and had caused the Morgan Way community to become very stressed. He said there had been a lot of discussion with NHDOT about this, but he said the State had the Town at a disadvantage.

Councilor Mower asked Chief Kurz to discuss the other intersections with Route 4 in that general area.

Chief Kurz noted previous problems with the Shearwater and Riverview intersections, but said this had been remedied. He said there was no question that if a queuing lane was put in, things changed dramatically. He said without doing a major study of intersections in Town, which there wasn't time for, he thought other problem areas were areas such as

in front of the Post Office, where there were inherent conflicts because of the design.

Councilor Stanhope asked what the frequency of accidents was at the Route 4/Route 108 intersection.

Chief Kurz said the accidents there were mostly because of impatient drivers. He said the State had made it clear in discussions that it would be willing to do a trade, but he said the Police Department didn't see it as an either/or.

Councilor Needell said if it was a question of doing both projects, why not put up the money now for Morgan Way, and worry about getting the money back for the Route 108/Route 4 project. There was discussion about this with Administrator Selig.

Councilor Sievert asked whether the shoulders at the Morgan Way intersection were wide enough to do some striping, in order to get by for a year or two. He said a lot could be accomplished with striping, especially if the shoulders were wide enough.

There was discussion on this with Mr. Lynch. He said there was a thickened lane on the river side, heading to Portsmouth, but said there was also a steep embankment, a guard rail and a house with a driveway. He said the State was very concerned about these conflicting components. He said the thickened lane by itself hadn't prevented accidents, and said the turning lane was needed as well. He said that was the safest way to do it.

There was further discussion between Councilor Sievert and Mr. Lynch. Mr. Lynch said the State was willing to put this on their program, and said the Town would have to pay for one third of the project. He said if the Town moved forward with it, it would be more on its time frame than the State's.

Councilor Sievert said he wouldn't argue that the Town should pay not for a third of the cost, since it was the Town's subdivision involved. But he suggested they could ask the State why the Town needed to meet the State's strict regulations for the next two years if the State couldn't fix the problem right now, and should also ask if the Town instead could get some safety built into the intersection sooner.

Councilor Stanhope said the Town would still have to seek NHDOT's permission for striping or a blinking light.

Mr. Lynch said that was correct and that although the State might consider hanging a blinking light, he said a defined left hand turn lane into Morgan Way, heading east, was the only thing NHDOT felt was worth the dollars. He said they wanted it to be done right, one time.

Chair Niman asked what the status was of the proposed bike lanes to Newmarket.

Mr. Lynch said this had been put off for another few years, and noted there were some right-of-way and drainage easement issues.

Councilor Needell said this was the second year the replacement of the 19<sup>th</sup> police officer position had not been put in the Budget. He asked Chief Kurz what the impact of this was, and what it did to the Department abilities. He noted that the tone of Chief Kurz's letter was different this year.

Chief Kurz agreed that his tone was in fact different. He said it had been his motto to tell the Council that regarding what people wanted from the Police Department, he would make it happen. But he said he couldn't say that anymore. He said he had been surprised how significant the 19<sup>th</sup> officer was in terms of being able to respond to the community.

He said without that person, there was less flexibility, and things were more on the edge. He noted as an example the home invasion on Scotland Road, which was a significant event, and was labor intensive. He said his department had to solve this case, and said something therefore had had to give.

He noted that it took a lot of time for officers to write up incidents, and said what they wrote was then questioned, challenged, etc. He also spoke about the fact that while the Department was recently being more proactive and making more arrests with less people, this had exhausted his staff.

Chief Kurz said they were being used over and over again, noting that there wasn't extra staff available for the weekends when a lot of the complaints occurred. He explained that one night shift had been eliminated, and said there were real consequences from this in the Durham community.

He said with the 19<sup>th</sup> officer he proposed, personnel comprised 92% of the Police Department budget. He said there was really no other place he could cut in his budget. He said he understood the Budget situation, but said he was frustrated because residents were asking for more, and not less. He said even if another officer was added, he wasn't sure that was the answer either, and said other things needed to be done as well. But he said another officer would certainly help, especially on the busy weekends.

Councilor Clark noted that the existing officers were working overtime, and asked whether, if a 19<sup>th</sup> officer was hired, the Town would save a lot in overtime.

Chief Kurz said that wasn't correct. He said things weren't being done now, and said more could be done with the 19<sup>th</sup> officer.

Councilor Clark asked if using a Police Department employee as a school resource officer was the best use of that person.

Chief Kurz said if the Department lost the school resource office, it would lose the salary of one officer. He said the school paid the whole salary and benefits for that person, who was considered the lowest ranking police officer in the Department. He noted that there were about 200 calls his department would have to respond to if it didn't have an officer there who was funded by the school. He said it was a good deal because the money came

from the School District, and not just from Durham.

Councilor Mower noted the data that had been provided comparing Durham's DPW Department with those of comparable NH towns, especially Exeter, which was the most comparable in terms of some of the variables. She asked what the size of the police force was in Exeter, and what types of problems they had there.

Chief Kurz said the population there was a little heavier, and said they had 31 officers. He said they also had a better tax base than Durham. He said this was an argument they struggled with in negotiations with the University to get \$200,000 per year. He noted that the data he had provided as part of these negotiations was based on having 19 officers, and said he had asked Administrator Selig if they had really wanted to cut an officer when they were arguing that the Town really needed that many officers.

Councilor Carroll noted that she had read that UNH was down a couple of officers

Chief Kurz said that was correct, and said his understanding was that the \$200,000 had come out of the University's Police Department budget.

Councilor Carroll said this concerned her.

Chief Kurz noted that the University police department was now experiencing an outcry about why it wasn't doing more. He also noted that having one more officer for the Town's Police Department would provide some flexibility, especially because staffing was always changing, so there was never a full complement of people.

There was discussion between Councilor Sievert and Chief Kurz about whether money could be saved by hiring a beginning police officer to replace Ed Levesque, who had recently retired. Chief Kurz said this would eliminate a sergeant's position, so would save \$12,000.

Councilor Sievert said the Police Department had been waiting for quite awhile for the 19<sup>th</sup> officer. He said the Town also needed the engineer position, and said a question was which position was more important right now.

Chief Kurz said right now, there was a lot of clamoring about the noise issues, and said this was problematic.

Councilor Sievert said he was very much in favor of downtown redevelopment, and the importance of investing in engineering capabilities as part of this, but...

Chief Kurz said if Mr. Lynch could demonstrate that this was more cost effective, that was great, but he said the Police Department didn't build anything. He said the Police Department delivered services, and said it was therefore hard to measure the two positions against each other.

Councilor Mower said she had heard that it was especially challenging this year because of the students and other young people in Town. She noted that some members of the community had urged that a 19<sup>th</sup> police officer be added to help address these problems. She noted that this might be an unusual year, and that the bubble might burst next year. She asked Chief Kurz if he thought an additional police officer would plug the current hole successfully, and also asked what happened if the bubble did burst next year.

Chief Kurz noted that he had previously developed a strategic plan for the Police Department. He said the Town had postponed hiring a 20<sup>th</sup> officer for 6 years, and said he understood this. But he said the reality was that for the last 4 years at least, the University had said it had the largest incoming freshman class ever, which put stress on his department. He said there were quality of life issues that resulted from these increases, including traffic, pedestrian issues, noise, etc.

He said one police officer wasn't a magic formula to address this. But he asked the Council to help the Police Department make the argument to those residents calling with complaints that it would do the best it could for them. He said the Department had already created overlapping shifts, and said hopefully this had been diagrammed in the argument made to the University regarding policing. He said there was now this \$200,000 agreement for policing, but said he was having a hard time seeing where the money was for policing.

Councilor Mower asked if staff were truly burned out, and were talking about leaving, and Chief Kurz provided details on this. In answer to a question from Councilor Stanhope, he said the resource officer spent 3 days at the high school and 2 days at the middle school. He said the Town was not reimbursed for the use of the cruiser, but noted that the officer was available to the Town in the summer when school was out.

Councilor Stanhope asked if hiring a parking control officer downtown was revenue positive or negative.

Chief Kurz said the Town usually made \$160,000 plus. He said the position was salaried, full time, but had no benefits. He said the person worked full time when the University was in session, and also worked 2-3 days of the week in the summer, to keep everyone honest.

Councilor Needell asked if things continued and the Police Department wasn't funded adequately, he saw two choices. He said it could struggle along, or there had to be a fundamental shift in policy. He said if the latter were to occur, he wondered what would have to happen to the Department.

Chief Kurz said there would be an upcoming meeting to discuss this, and noted that a community survey was in the process of being completed by UNH. He said he had hoped to have this data available by now. He said the Department had previously been rated as "good" or "excellent" by 96% of respondents, to a survey, which was really high. But he said he had been hearing comments from residents that the Department was now not

living up to their expectations, and said he would like to see the data from the new survey.

He said the Department would start looking at cutting back on things like house checks that were done for residents when they were away, opening locked doors, etc., and he said there would be complaints about this. But he said something would have to give. He noted that officers used to be able to respond to a call within a maximum of 6 minutes, but said calls were now starting to back up.

Councilor Stanhope asked if there had been a significant increase in the demand for officers' time now that the Court had moved out of Town.

Chief Kurz said no, and provided details on this.

Councilor Stanhope noted a fraud seminar he had recently attended, where there had been discussion about a cost threshold under which it was not cost effective to pursue bank fraud cases. He asked if the Department had looked at crimes in Durham, and whether it might be appropriate to use this kind of approach.

Chief Kurz provided details that he said reflected that this approach was being taken now by the Department. But he said the Police Department would never be at a place where it would dismiss residents' concerns, at least not during his tenure. He said everything in Durham had to be considered important, and said the employees of the Department wouldn't be the ones to second guess that. He discussed the qualities Durham police officers were expected to have, and said this was determined as part of the hiring process.

Administrator Selig noted that the hiring process included going before an oral board comprised of Police Department staff as well as Durham citizens.

Administrator Selig spoke about the increase in the Budget to fund the Parks and Recreation Department, which had developed a wide array of new programming. He explained that there were projected revenues to offset the cost increases.

Councilor Needell asked why federal Stimulus money couldn't be found in the 2010 Budget.

Administrator Selig said these funds were targeted to capital projects that had been approved in the past, and said they would help the bottom line for long-term debt services. He said there was no immediate impact from them on the 2010 operating Budget.

Councilor Carroll and Fire Chief Landry discussed the capital reserve fund that had been put together for the Fire Department. Councilor Carroll noted that the Department had figured out that if approximately \$300,000 was set aside every year, a cost that would be split between the Town and the University, this would take care of all the capital improvements that were needed. She said this would mean bonding wouldn't be needed,

which would save a lot of interest money and would provide some security.

Administrator Selig explained how this approach had been developed, working with UNH, and said it had been surprising to see how much would be saved in terms of interest over 25 years. He said the approach also kept costs constant, and represented good fiscal management. He said both the University and the Fire Department had come around to thinking that it was a good idea.

He said the challenge was that implementing it would cost the Town a significant amount of money for 2010, and said his sense had been that this wasn't the year to do this. But he said there would be some real savings involved.

Councilor Carroll said the Town would have to pay about \$150,000 per year, and would also save about \$40,000 in interest in one year, so would be paying \$110,000 per year out of a \$300,000 amount, which sounded great.

She also said it would be helpful to see if this approach could be implemented in other Town departments, so there could be economic sustainability in Durham. She said in this way, the Town would know there was money available for projects when Budget time came around.

Councilor Stanhope said Councilor Carroll had hit upon something that was even more complex than might seem to be the case on the surface. He said the Town wasn't funding its reserves to where they should be, and said at some point this would affect the Town's bond rating, which would mean the Town would have to pay a higher interest rate. He said he thought the Council needed to revisit the idea of putting aside a reasonable amount of funds. He said if the Town had a major demand for capital right now, it was under-funded.

Administrator Selig said the situation could be seen regarding the water and sewer funds in the Fiscal Forecast, noting that there would be a large spike in rates for water and sewer users in upcoming years.

Administrator Selig noted that the Library was looking to get 20 additional staff hours, and asked Councilors if they had any questions for Director Tom Madden.

Mr. Madden told Councilors his department was not looking to hire additional employees at this point. But he said the need for additional staffing hours was there, noting that over the last 4 years, circulation, patron visits, programming, etc., had been going up. He said there had been a 38% increase in membership in 2008, which generated a lot more work in terms of providing materials and services. He said there were 3 full time people serving the library, and said staff was stretched beyond their limit.

He said the Library was very fortunate that it had great volunteers, including students doing community service work. But he said the problem with this was that staff trained them and then they were gone. He noted that \$18,000 had been raised last year in order to

be able to purchase materials, but said the books, etc., then needed to be processed, which had created a lag time. He said the same thing occurred with donated books, and said the processing took a lot of man hours.

Mr. Madden said he realized it was a difficult year for the Town, but said they were asking for \$12,000 for the 20 additional staff hours so this work could be done.

Councilor Carroll said volunteers made a good town a great town, and made a good library a great library. She thanked those who volunteered at the Library, and then asked if perhaps volunteers could be used more, rather than adding the 20 hours for employees.

Mr. Madden said there were long-term volunteers, and said they were always looking for more volunteers, and always had something for them to do.

Councilor Carroll said \$12,000 sounded like a minimal amount of money for the Library.

Mr. Madden said over the long term, staffing would be needed for a new library. He said there was a need for additional staffing now, and said what was being requested now was a step in that direction.

Councilor Carroll asked Mr. Madden to thank the Friends of the Library and other volunteers for their efforts, on behalf of the Council and the Town, and said they were all beholden to them.

Administrator Selig noted that the \$144,000 proposed for the Fire Department was the single largest increase in spending in the Budget, and said Chief Landry could speak to this if Councilors had questions. He also said Tax Collector Lorrie Pitt had identified a need for additional staffing for her office, and had been effective in finding some alternative ways to get work done, including contracting out the billing of tax, water, and sewer bills.

He also said MIS Manager Luke Vincent was present. He noted that last year, there had been a cutback on the replacement of computers in some departments. He said this had had a significant impact on Mr. Vincent's ability to be forward-looking, because there had been a greater number of computer breakdowns, server problems, email problems. He said a commitment was being made this year to improving the infrastructure in order to get things on a stable playing field.

Administrator Selig said Code Enforcement and Health Officer Tom Johnson was also present. He noted that there had been a lot of discussion about disturbances in Town.

Councilor Sievert asked why the Fire Department budget was increasing by \$144,000.

Chief Landry said the major part of this was the \$77,000 rental cost to UNH for a full year. He said \$38,000 was for the contingency fund, and also noted money was needed because 3 staff members were most likely going to retire next year, so funds were needed

because of this.

Administrator Selig said paying this rent to UNH would very soon make it apparent that it would be potentially more cost-effective to invest in a new Fire Station that met the Town's needs.

Councilor Clark asked Mr. Johnson about the form-based code approach, and how this would affect his job if it was put in place.

Mr. Johnson said he hadn't had much time to look at it, and noted that Mr. Campbell had mostly been dealing with it. He said he personally had no experience with it.

Administrator Selig said Durham was at the forefront in New Hampshire in terms of considering the use of form-based codes. He noted that Dover was moving in that direction.

Councilor Carroll said there were some big issues for the Town right now in terms of disturbances in neighborhoods, especially those close to downtown. She asked Mr. Johnson what this meant in terms of his schedule, and also asked him what the Council and Town committees could do to allow him to be more effective in his work.

Mr. Johnson said the Rental Housing Commission and citizens were asking what they could do to help. He provided details on this, and said it looked like the Council would deal with these issues once the Rental Housing Commission was done with its discussion on them.

Councilor Needell asked if it was legal, policy, or financial approaches that were needed.

Mr. Johnson said possibly all of these things. He said the Town could use some part time staff for inspections. He also said he needed additional tools, stating that the existing code had some holes in it.

Councilor Needell said it looked like the first step was to have the policy discussion.

Mr. Johnson said if a policy change was developed that gave him some more tools, he could then concentrate on problem properties. He provided details on this.

Councilor Sievert said the Rental Housing Commission and the Durham Landlords Association had done a lot to quiet things down. He said they were willing to help again, but said it looked like some legal issues needed to be tightened up.

Mr. Johnson said there had been great cooperation with them, the University and the Town. But he said student rentals were continuing to migrate into single-family residential neighborhoods, and said the Town needed to find a way to get the out-of-town and out-of-State landlords to stop investing in these neighborhoods.

Councilor Carroll agreed there were some wonderful landlords in Town, including Paul Berton, Perry Bryant, Mark Henderson, Tom Richardson, etc. She then said her wish was that policies would be set up in a way that would allow Mr. Johnson to handle what needed to be done, without adding staff.

Mr. Johnson noted that he would be able to draw on the assistance of the engineering intern occasionally for site inspections, which would free up some of his time.

Councilor Mower asked Mr. Johnson if he had a sense of what proportion of his time was spent dealing with absentee landlord issues.

Mr. Johnson said he spent a quarter to a third of his time on complaints and other student-related issues. He said the biggest drain concerning this occurred in September and October, and said at that time, plan review fell off. He said this also occurred in January, when there was a turnover at some properties, and in the spring, when there were more trash complaints.

Councilor Stanhope asked Mr. Johnson what percentage of the inspections he did were duplicated by the Fire Department.

Mr. Johnson said he focused mostly on mechanical issues, while the Fire Department focused on safety issues. But he acknowledged that there was some duplication that could be eliminated, and provided details on this.

Administrator Selig noted that the Kaizen effort Town departments were undergoing was looking at the issue of duplication.

Chief Kurz said a lot of the conversation that evening had been around students and also about the planning process. He said if student housing was located in the right place, there would be no calls for service. He said if not for Madbury Road, they wouldn't be talking about adding a 19<sup>th</sup> police officer. He said over the long run, the Town would save money if planning was done appropriately.

Councilor Needell asked why there were no problems with the new Rivers Edge apartments, and Chief Kurz said good management was the key.

Councilor Mower said it wasn't necessarily known that the people who lived there weren't going elsewhere on the weekends.

Chief Kurz said with the increase in the University's population, it was important to consider the implications of this for the Police and Fire Departments, and for code enforcement.

Administrator Selig stressed the importance of working to increase the Town's tax base. He said the University wasn't going anywhere, and said to the extent that additional taxable value could be created from student rentals, this could be incredibly beneficial to

the Town. He said it was important to locate such development appropriately, and by design to create places students wanted to be so that student problems could be reduced. He said this would decrease the Town's operating costs while increasing the tax base.

Councilor Mower said she hoped they would all keep an eye on whether the cost of services was being captured adequately when a developer came to Town saying a development would increase the tax base. She said the Council should ask for details on this, and noted that the school funding formula needed to be considered as part of this.

Chair Niman said he agreed with what Chief Kurz and Administrator Selig had said regarding student housing. He then said he'd like to ask Mr. Vincent a few questions.

He first noted that Mr. Vincent had graduated from UNH and had started his career working for the Town. He and Administrator Selig said Mr. Vincent had become a great asset to the Town. Chair Niman then asked Mr. Vincent why the idea of creating a backbone network to connect the various services the Town provided had been dropped from the CIP.

Administrator Selig said the Town had funded this two years ago.

Mr. Vincent said at that time, there were some things on the horizon, and the biggest thing was the dispatch transition, which had absorbed a large amount of his time. He said what he had put forward for the last two operating budgets was what the Town could get away with, with what it had, and he provided details on this.

But he said some things on the horizon included a new Town website, which he was working on with a UNH intern. He said it would require more of his attention than he had anticipated, over the next few months. He also said there were still plans to move forward with the network Chair Niman had referred to, and said an RFP for this would be put together some time in April.

Administrator Selig said the dispatch transition would save \$450,000 over 5 years, and \$250,000 per year thereafter. He also said all the Town departments would not have been able to accomplish this transition without Mr. Vincent's expertise.

Councilor Sievert said if there was that much money left over, he wanted to know where it was. He asked why the Police Department couldn't fund another officer with the savings.

Administrator Selig said the Town's cost structure increased by \$400,000-500,000 per year, even with nothing new added. He said in last year's Budget, the savings Councilor Sievert had referred to were used to help offset the increases. He said the \$200,000 per year the Town was getting from UNH would also be used to help offset these increases.

Chair Niman noted that there had also been a drop in revenues, especially from the State, and there was discussion on this.

Councilor Stanhope said his gravest concern was that the State would have even less money next year, and would further cut aid to municipalities. He said the Town needed to anticipate this, even though department heads had made very persuasive arguments about their needs. He said the Council would be faced with even more difficult decisions in the 2011 budget. He said he agreed with Chair Niman that there wouldn't be more money coming from the federal government to help the State out.

Councilor Mower made reference to the point that had been raised as to whether the Town had adequate reserve funds.

Administrator Selig spoke about the fund balance and how it accumulated. He said it could be used to accomplish a variety of things, including helping the Town's cash flow when it was close to tax time, so borrowing didn't have to be done. He said another benefit of the fund balance was if there was a sudden emergency, in which it case it could be used rather than having to amend the Budget.

He said a third benefit was that the fund balance could be used as a shock absorber if there was a year where the economy went south, or there was a major project the Town wanted to fund. He said this would allow the Town to spread the impact over a few years rather than having to absorb it all in one year.

Administrator Selig said the bond rating agencies looked at fund balance as a sign of fiscal health. He said Durham should have one that at a minimum was 5% of the total tax bill, which came to \$1.7 million, and at a maximum was 17% of the total tax bill, which came to \$5.8 million. He said the Town had historically had a fund balance that ranged from \$1-2 million, and he noted that it had started to fall over the last few years.

He said the rating agency had cautioned the Town last year that it needed to build up the fund balance. He noted that no fund balance was used to offset the tax impact for 2009, and instead spending was decreased by \$100,000. He also explained that the intention had been to let \$100,000 of contingency fund money roll over into the fund balance each year, over the next few years. But he said unfortunately, the \$100,000 for 2009 had been needed, primarily because of the decrease in revenues from the State. He said motor vehicle registrations and recycling receipts were down as well.

Administrator Selig said to meet the tax projection for 2009 of \$6.52 per thousand, the Town would have to use \$210,000 of fund balance to get to that number. He said the fund balance would be just over \$700,000, which was \$1 million less than where it should be. He said the long term implications of this was that it affected cash flow, and would likely impact the town's bond rating. He also said it was important to preserve fund balance as a shock absorber.

He said ideally, the Town would increase the contingency line by \$200,000, and over a few years would work hard to build up the fund balance. But he said the question was whether the Town would want to do this, when it wanted to keep spending constant, and also when there were other spending priorities.

Councilor Mower said this was something members of the public might want to speak about at the public hearing the following week.

The meeting adjourned at 10:30 pm

Victoria Parmele, Minutes taker