

This set of minutes was approved at the February 1, 2010 Town Council meeting

**Durham Town Council
Monday December 7, 2009
Durham Town Hall - Council Chambers
MINUTES**

MEMBERS PRESENT: Chair Neil Niman; Councilor Julian Smith; Councilor Peter Stanhope; Councilor Doug Clark; Councilor Mike Sievert; Councilor Diana Carroll; Councilor Robin Mower

MEMBERS ABSENT: Councilor Karl Van Asselt; Councilor Jerry Needell

OTHERS PRESENT: Town Administrator Todd Selig; Business Manager Gail Jablonski; Fire Chief Cory Landry; Police Chief Dave Kurz; Town Engineer Dave Cedarholm

I. Call to Order

Chair Niman called the meeting to order at 7:02 PM.

II. Approval of Agenda

Councilor Smith MOVED to amend the Agenda to remove Item VII C. Councilor Mower SECONDED the motion.

Councilor Smith said he had asked to remove this Item from the Agenda, and said he would probably abstain from the vote on this matter until there had been a discussion on it. He said he didn't want to take time on it that evening.

Councilor Mower agreed that this was a way to move forward, to let Councilors comfortable with voting on it do so that evening, and then make sure there would be a discussion on it and not just let it go out there.

Councilor Clark asked if there was any reason this had to be done that evening.

Administrator Selig said this was not initiated by him, and said he didn't see why it would hurt to delay the release for another two weeks, or longer.

The motion PASSED 5-2, with Councilor Mower and Councilor Carroll voting against it.

Councilor Carroll MOVED to amend the Agenda to swap Item X for Item XI.

She said there were members of the public present to speak on item XI concerning the

Lamprey River Advisory Committee's request to add stone facings for the Wiswall bridge, so it was respectful of them to address it before addressing the Budget.

Councilor Smith SECONDED the motion, and it PASSED unanimously 7-0.

The Agenda as amended PASSED unanimously 7-0.

III. Special Announcements

Chief Landry introduced new firefighter Sarah Graham, and she was sworn in by Town Clerk Lorrie Pitt. Chief Landry then introduced James Brown who had been promoted to Fire Captain, and he was sworn in by Ms. Pitt as well.

Chief Landry introduced Rick Mason, Director of the NH Fire Academy, and Chair of the State Commission on Professional Credentialing.

Mr. Mason first noted that Chief Landry was one of the first 600 firefighters in the country to receive the Chief Fire Officer certification, and he congratulated him for this. Mr. Mason then awarded the new Fire Officer designation to Durham firefighter David Emanuel, who he said was one of the first nine firefighters in the State to receive this.

Councilor Carroll noted that Ms. Graham was Durham's first female fire fighter, and said she thought this was great.

IV. Minutes

Councilor Mower noted that she had submitted several non-substantive changes to the Minutes. There was discussion of other non-substantive changes.

Councilor Mower MOVED to approve the October 19, 2009 Minutes as submitted. Councilor Clark SECONDED the motion, and it PASSED 7-0.

V. Councilor and Town Administrator Roundtable

Councilor Mower asked Councilors if they would consider switching the January 4th meeting date to January 25th. She noted that there might be some Agenda items that were of interest to the public, and said the beginning of January 4th was a time when some families were just returning from the holidays.

There was discussion that Councilors would think about this idea.

Councilor Mower said there had been some movement on the conservation/development project that would be facilitated by the Trust for Public Lands. She said the TPL would be able to meet the deadline for the NOAA grant application, and she suggested that the public should stay tuned regarding this possible project. She said there would be Council discussion about it in the future.

Councilor Carroll suggested that if the Budget wasn't completed that evening, the Council should plan to meet on December 14th.

Chair Niman said they would figure this out that evening after seeing how far they had gotten.

Councilor Clark said the EDC had discussed a list of things it could theoretically work on, and he asked how this information should be provided to the Council.

Chair Niman asked Councilor Clark to speak briefly about the list the EDC had developed.

Councilor Clark listed the following items the EDC could possibly focus on, noting that the EDC couldn't do all of this work, and was looking for guidance from the Council on what were the top three things on the list.

- Creating an identity for Durham by determining industry appropriate for the Town that would align with University programs and expertise, such as entrepreneurship, sustainability, patent law, marine biology, etc. Councilor Clark said among things, this would be useful in considering the development of incubator office space.
- Being the entity that would officially extend the work with B. Dennis Town Design concerning strategic planning thinking, facilitation of community engagement on this, public hearings, the final plan, recruitment of help and money, and implementation.
- Facilitating the formation of an independent economic development corporation, which would have money and the ability to respond in a real time way when property became available
- Continuing work with UNH on public relation campaigns in order to create messages to attract the kinds of business and industry the Town would like
- Investigating the need for a Chamber of Commerce, which could complement the Durham Business Association.
- Deciding on whether to tackle the concept of density transfer credits, and if so, figuring out how to implement it

Councilor Mower asked if when this list was drawn up there had been discussion on the strengths and weaknesses of the EDC in working through these goals.

Councilor Clark said this was a prioritized list, and said EDC members were probably reaching as they got to the end of it. He also said the list aligned with the expertise on the committee.

Chair Niman said he was very interested in the idea of incubators for businesses, and noted that discussion with UNH had indicated that they were interested as well but weren't quite ready to do this. He said perhaps this therefore shouldn't be the #1 priority on the list right now. He said he liked the idea of the EDC working with B. Dennis Town Design, and also said he was still interested in the concept of transfer of development

rights, and also liked the idea of doing more public relations work with UNH.

Councilor Mower said she would like the Council to have more discussion on the list. She also said that while she thought the EDC should be engaged with these items, she would like to see more coordination with the Planning Board on the B. Dennis Design work, as well as coordination with the Planning Board and the Conservation Commission when talking about the concept of transfer of development rights (TDR). She said these were multifaceted endeavors, and various factors beyond economics needed to be considered.

Councilor Smith said the Planning Board would meet on Wednesday for its last meeting of the year, and said residents should check the Town web site for details on the Agenda.

Councilor Carroll said the Seacoast Repertory Theatre had recently provided a wonderful showcase for Middle School and High School students at the former Mill Pond Center property. She provided details on this, stating that it was a wonderful community event that was an extremely positive addition to the Town. She also said “Light up Durham” had been a marvelous event, and noted that there were a lot of people in the business community and the community in general who had helped with it.

Administrator Selig thanked the Durham Business Association for its work in coordinating “Light Up Durham”.

He told Councilors of a waste-to-energy company that was possibly interested in locating at the Durham Business Park. He said this would be an industrial use that might not be a good match for the Business Park, but said some inquiries would be made to the University about its parcel on the other side of the wastewater treatment plant.

Administrator Selig noted that he had previously discussed a graduate course at UNH that had selected the Durham Police Department and Fire Department to measure how these departments stacked up to the departments of other towns of similar sizes and capabilities. He said the class would be making a presentation on the results of their study that week, and said he would be very interested to see the results.

Administrator Selig said the Rental Housing Commission would be having a work session the following day. He then spoke about how staff in several Town departments had been trying to respond concerning recent student housing issues. He noted that the Police Department had changed its 4 pm to 2 am shift to 5 pm to 3 am. He also said a part-time temp person was being brought in to do zoning enforcement over the next few weeks, and after the holidays as well. He said this was a time consuming task, and said the goal was to do the work in an economical way.

VI. Public Comments

Howard Burrows, Wiswall Road, proposed the following changes to the Wiswall Mills site bridge design:

Lee-side Abutment:

- 1) Add 10% to the current footing slab (extend the slab 2 feet upstream)
- 2) Add facing to the upstream wing wall (the only face not covered under the existing Memorandum of Agreement).

Durham-side Abutment

- 1) Add shallow facings on all three sides of the abutment.

Durham cost savings:

- 1) Accept moneys from the National Park Service Wild and Scenic Rivers (current offer \$30,000)
- 2) Decrease length of facing on downstream side of Lee-side abutment to include wing wall only (save 12 feet of facing from the retaining wall portion)
- 3) Decrease square footage of facing on wing wall by exposing less wall height (increasing riprap).

Mr. Burrows noted that the Lamprey River had flooded, delaying the bridge work and providing time to make the necessary design changes. He said such delays had already elicited a request from FEMA to amend the existing MOA, expressly asking that the new agreement include the additions possible with the new NPS moneys.

He said on the Durham side, shallow facing had the advantage of eliminating the extensive structural changes that would be necessary in order to provide new footings sturdy enough for the larger stones. He said that in addition, the shallow facing would not require new hydrological studies, and also did not require destruction of historical stones that might be re-used as part of the exhibits in the John Hatch Park. He noted that shallow facing was less than half as expensive as the proposed deep facing.

Mr. Burrows said the National Park Service, acting through the Lamprey River Advisory Committee, had repeatedly asked for cost estimates to replace all 4 remaining faces. He said the Town Council had not allowed Administrator Selig to provide reasonable per square foot cost estimates so the National Park Service could provide the necessary funds.

He said he had provided the critical excerpts from the current engineering diagrams, so everyone could have a clear understanding of the options available. He said the “footing” for the Lee-side facing was pretty much already in the current plan, and said it amounted to a 22 x 22 foot slab that spanned the entire abutment. He said enabling the addition of the upstream facing amounted to extending this slab to 22 x 25 square feet, which was only 10% larger than it already was.

Mr. Burrows said the length of the facings under the existing MOA, as indicated in the diagram, were the following:

- a. Corners (two): 4 ft by 2 ft
- b. Interior wall: 17 ft
- c. Wing walls (one): 15 ft

d. Retaining walls (one): 12 ft

He said the proposed changes to the Lee-side abutment was to add 2 feet to the interior wall (20 square feet under bridge); to add facing to one Wing wall (upstream side of Lee-side abutment); and to drop the facing from one retaining wall (from the existing MOA on the downstream side).

Bill Hall, Smith Park Lane, spoke about the need for tree cutting at Durham Point, and said the worst thing the Town could do was to drag its feet on this. He said he was prepared to do some work similar to the work done at Doe Farm some years back at other locations in Town, and said he was concerned there would be fires if this work wasn't done.

Mr. Hall then questioned the appointment of George Rief to the Southeast Watershed Alliance, and provided details on this. He also questioned the hiring of a lawyer to address the 401 situation.

Ed Valena, Bagdad Road, said he was present to advocate for increasing the size of the Police Department by one position. He said the need for more policing on the streets had been well documented, especially during late night hours patrolling in town neighborhoods. He said the report Chief Kurz had provided advocating for payment from the State in order to apply some pushback against the continued degradation of the neighborhoods was based on a 19 person force. He said while the State had now provided the \$200,000, the money wasn't being spent on the intended use.

Mr. Valena said adding the 19th position back would only bring them back to where they were when Chief Kurz's report was written, and said not adding it back would be a serious disservice to the community. He also said funding a part time code officer would be a wiser use of taxpayer money than funding a junior engineer position, and said he was happy to hear Administrator Selig's comments on the code officer a few minutes ago. He said this would be a fitting way to police a segment of the community population that needed oversight, and said it would be in keeping with the intent of the State's payment in lieu of taxes.

Cathy Leach, Fairchild Drive, recommended accepting the Budget as Administrator Selig had presented it with a 0% tax increase, with the possible exception of the \$60,000 for the junior engineer position. She said she didn't doubt that the Town Engineer was very busy, but said she wasn't sure adding that position had been completely justified. She suggested looking at Mr. Cedarholm's present job responsibilities to see what could possible be taken off of his plate.

Ms. Leach said she did accept Administrator Selig's and Ms. Jablonski's expertise, and said she was not in favor of the Council micro-managing Town staff and the Budget. She recommended that the Council not make any additions to the Budget, including to the Road Program, and she provided details on this.

She also said while she was sympathetic to the concerns of residents, jumping to the conclusion that another police officer was needed seemed to be an emotional reaction. She noted that Administrator Selig had indicated that he wanted to see more data, and said she supported that. She said most of the resident complaints through the Rental Housing Commission seemed to be related to parking, and noted that they had requested that ticketing be done.

Ms. Leach questioned whether a police officer was needed for this, and said she encouraged the Council to think about things differently, as Chair Niman had suggested at the last meeting. She said she was pleased Chief Kurz was looking at things like shift changes. She said next year, with more data, a more comprehensive plan, and when residents' concerns had had time to funnel through the Rental Housing Commission, an additional officer might be more warranted.

She said that regarding the fund balance discussion, she wasn't comfortable with Councilor Needell's perception that last year the Council had raided the fund balance. She said she hoped there would be further clarification on this, and said she didn't want current Councilors to make a decision in part based on perceived past actions of the Town Council, rather than on the facts. She encouraged the Council to make its final decisions, especially those on the Budget and taxes, based on data, facts and actual outcomes.

Ms. Leach said she supported those items in the Budget that worked toward increasing revenues. She noted that she had been on the Council for three years, and hadn't been any more successful than anyone else in making that happen. She said she supported EDC involvement in moving things forward with the B. Dennis Town Design plans.

She said that regarding Agenda Item X, she appreciated the fact that the Lamprey River Advisory Committee had agreed to cover the cost of another stone façade, if that was what was needed. She also asked for clarification on what was being requested of the Council concerning this. She said based on the Council Communication, she didn't think anyone was asking the taxpayers for more money, but said if it came to that, she felt the Council should proceed cautiously.

Ms. Leach said if Mr. Burrows thought the public was not included in the beginning part of the process with the Wiswall Bridge, before the Council made the decision on what kind of bridge to have, this was not accurate, and didn't give due respect to Mr. Cedarholm and the many meetings he had with the public, some of which she had attended. She said the Council needed to be really careful about basing any decisions on that.

VII. Unanimous Consent Agenda

- A. Shall the Town Council approve and sign the March 9, 2010 town Election Warrant?
- B. Shall the Town Council, upon recommendation of the Town Administrator, approve a corrected 2009 property tax abatement previously approved by the Town Council in July 2009 ?

- C. Shall the Town Council, upon recommendation of the Town Administrator, release the March 20, 1995 Town Council Nonpublic Session meeting minutes relative to the 1993 Rental Housing Ordinance and the Heidelberg-Harris abatement ?

Councilor Smith MOVED to approve the Unanimous Consent Agenda. Councilor Carroll SECONDED the motion, and it PASSED unanimously 7-0.

Administrator Selig said he would pass around a copy of the Warrant for Councilors to sign.

VIII. Committee Appointment

- A. Shall the Town Council consider the request from Tom Elliot to be moved from an alternate member on the Economic Development committee to fill the unexpired regular member vacancy of Peter Ventura ?

Councilor Clark MOVED to move Thomas Elliot from his current alternate member position on the Economic Development committee to fill the unexpired regular member term of Peter Ventura, said term to expire on April 30, 2010. Councilor Sievert SECONDED the motion, and it PASSED unanimously 7-0.

- B. Shall the Town Council recommend to the Commissioner of the Department of Environmental Services the appointment of Richard Lyons, 68 Wiswall Road, as Durham's representative to fill the unexpired term of Cynthia Belowski on the Lamprey River Management Advisory Committee ?

Councilor Mower MOVED to recommend to the Commissioner of the State of New Hampshire Department Environmental Services that Mr. Richard Lyons, 68 Wiswall Road be appointed as Durham's representative to the Lamprey River Management Advisory Committee to fill the unexpired term of Cynthia Belowski. Councilor Sievert SECONDED the motion, and it PASSED unanimously 7-0.

- C. Shall the Town Council upon recommendation of the Town Administrator, approve the Town of Durham joining the Southeast Watershed Alliance (SWA) and appoint George Rief as Durham's representative to the SWA?

Councilor Smith said he would like the Council to vote first on whether to join the Southeast Watershed Alliance, and then on appointing a representative. He said he would recuse himself from voting on the second motion.

Councilor Sievert MOVED to officially join the Southeast Watershed Alliance upon the recommendation of the Town Administrator. Councilor Mower SECONDED the motion, and it PASSED 6-1, with Councilor Smith voting against it.

Councilor Smith recused himself and left the table.

Councilor Sievert MOVED to appoint George Rief, 12 Edgerly Garrison Road, as

***Durham's representative to the Southeast Watershed Alliance. Councilor Clark
SECONDED the motion.***

Councilor Mower said her understanding was that this was an important alliance, and said she was happy the Council had voted to join it. She said the Town Engineer would attend some of these meetings, and said the Council should be getting some reports on these meetings. She also said she was happy that a resident had stepped forward to be on the committee.

Councilor Carroll said it would be good to have Mr. Rief bring back reports on committee meetings to the Council, and she suggested these reports could be included in Council packets.

Administrator Selig said they were trying to be respectful of staff time, and noted that Mr. Cedarholm was already a member of several committees. He said it was therefore important to have a citizen representative on the committee. He noted that Mr. Rief was an engineer and had served on the Town Council for several years. He said he had also been a representative to the Strafford Regional Planning Commission, so was very familiar with regional processes.

Councilor Mower said she was not committing the citizen representative to report personally to the Council, and said they might be hearing about the committee via the Town Engineer, although she was not sure about this.

The motion PASSED unanimously 6-0.

Councilor Smith returned to the table.

IX. Presentation Items

- A. Update on potential sites for new Fire Department - Corey Landry, Fire Chief
8:06 - 9:09 pm

Chief Landry introduced Lynn Reda, the lead architect on this effort, and noted that she was currently working on ten fire stations.

Ms. Reda reviewed the reasons why a new fire station was needed. She said she had been working on a needs assessment over the past few months, and said it was determined that to operate as a current modern facility, they needed 3 times what they currently had. She noted that the current facility was slated for other uses by UNH.

Ms. Reda discussed the needs assessment that was done, including consideration of future growth of the department. She spoke in detail on the need for proper housing of fire vehicles and equipment, and also spoke about the need for operations administration. In addition she spoke about the idea of a possible community hall that could accommodate up to 75 people. She noted as well the residential space needed for employees, and the

space needed for building services. She said the total building area required was just short of 29,000 sf.

Ms. Reda said the candidate sites she had looked at were:

- B Lot at UNH
- Intersection of Stone Quarry Drive and Dover Road
- Adjoining parcels 17 and 21 Madbury Road

She noted a property for sale near B Lot , and spoke about the idea of minimizing the impact on B lot by focusing on some residential parcels nearby that could perhaps be acquired and used for siting much of the facility. She said two parcels in the area could be considered for this, and showed a plan for a 29,000 sf fire station that included them.

Ms. Reda spoke about a possible entry museum space that could serve as the entrance to the fire department as well as a community hall. She said there would be seven apparatus bays that would exit onto McDaniel Drive, and also described training facilities that would exist on the site. She showed several flyover views of the facility.

She said the proposed building faced on McDaniel Drive rather than on Mill Road because there would be a safer response onto McDaniel since there was better sight distance, and also because there weren't residences across from it. She said the Mill Road side had been left screened and as quiet as possible.

She said the advantages of B Lot were that it was central to the majority of calls received; there would be little or no change to the current response times; it would have high visibility; there would be a community presence; there would be the opportunity for a community room; and there could be cooperation between UNH and the Town for land.

Ms. Reda said negative aspects were impacts on response time because of the Main Street/Mill Road intersection as well as the McDaniel Road/Mill Road intersection; no offset income to be gained with this property; the costs for purchasing the property; relocating overhead power lines and construction; and the loss of parking for UNH staff.

Councilor Smith asked if trucks would be allowed to turn right onto McDaniel Drive and go over to College Road, and Ms. Reda said yes.

Chief Landry said such a route would take longer but could be used, but he said the larger percentage of calls would send fire trucks through the Main Street/Mill Road intersection. He said that was a negative aspect of this site.

Councilor Clark asked how many parking spaces would be used up with this design.

Ms. Reda said there would have to be a fairly long building because of the apparatus bays, and said with the orientation proposed because of several factors, there would be an impact on the B lot parking lot, with about 140 spaces taken up.

Chief Landry said if the other residential property in the area had been available, they could have reoriented the building, but he said the owner wasn't interested in selling.

Councilor Clark asked if it would be possible to do a two-story building and therefore not lose as many parking spaces.

Ms. Reda said it was possible, but said from a fire and rescue design standpoint, a single story was the ideal way to go. She said there was the potential for injury when there were poles and stairs and they had to be used in the middle of the night.

She next reviewed the Stone Quarry site, noting first that there was currently no development there. She said they had looked at putting the same building on this site as for the B-lot site. She said the site was 3 plus acres because more parking would need to be put in there for the fire department as well as the community hall.

She said positive aspects of this site were the cost of the land purchase; the economic impact if some businesses moved in with it; ease of access to the station and adequate parking; high visibility; and the opportunity for a community room.

Ms. Reda said negative aspects were that response time would be dramatically slowed to the Packers Falls/Mill Road area; the site would become a destination with no community presence or walk in use; the building would be built in what was now an open field, which was not a sustainable design oriented practice; there was a high speed road that trucks would need to enter when responding; and there was a high traffic volume at the intersection of Route 108 and Route 4.

Councilor Stanhope asked Ms. Reda if she anticipated that a traffic light would be needed at the intersection, and she said not right now.

Councilor Mower asked if there was discussion about traffic on Route 108 going to Newmarket, which often got backed up.

Chief Landry said yes and provided details on this. He said with this site, it seemed like the location would allow a faster response time for the majority of the Town, but he provided details on how this wasn't necessarily the case.

Councilor Mower asked what 2 minutes in response time meant.

Chief Landry said the optimum response time was 4 minutes, and said to increase that by 50% right off the bat was a dramatic difference. He said the average response time in Durham was 4-5 minutes. He said it took longer to get to some areas, and said he would hate to add 2 minutes to those responses.

Councilor Smith said he assumed it had been plotted where in Town fires and medical calls tended to be located. He asked where the greatest concentration of calls was.

Chief Landry said downtown was the main location because of the UNH campus, housing off Madbury Road, etc. He said Spruce Woods was another key location, for medical reasons.

Ms. Reda said the third potential site they looked at was the two Madbury Road parcels located downtown. She showed a somewhat different building that was proposed there, and said the design included a road going from Madbury Road and connecting down into the Town parking lot across the lot to Pettee Brook Road. She noted that this design tied in with some design ideas that had been discussed at the recent planning charrette.

She said securing this property would be expensive, and said ideally, it would be important to address some of the other needs the Town currently had, which were parking and residential uses. She said her firm had recently completed another fire department building in Alexandria Virginia, which had 4 floors of low income and affordable housing above the fire station, and two floors of below grade parking, containing about 145 spaces. She said there had been discussion as to whether such a building could work in Durham.

Ms. Reda said the entry on Madbury Road would be at grade at the Fire Department, and on Pettee Brook Road would enter at grade into a residential lobby and a single story parking garage. She described how vehicles would enter and leave the site, and provided details on the parking, noting among other things that it didn't follow the same footprint as the building. She spoke in detail about how the various uses on the site were laid out. Among other things, she said there was a proposed mezzanine area, which could be expanded to become a full story, if a public space was desired there. She also showed how there could be one to three residential uses on the upper floors.

She said the positive aspects of this location were its location in the middle of downtown, which would allow an improved response time to town and campus; the opportunity to develop a multi-use property that had residential uses and parking; potential for additional civic use, including a new Town Hall and/or a public Library; potential income generation for the Town; neighborhood stabilization; and a highly visible community presence.

Ms. Reda said the negatives were the cost of the property; the cost of construction; the need for a multi-stakeholder process; a constricted lot that required back-in bays and allowed limited on site training for the fire department; limited parking for fire station visitors; and elimination of a community room.

She then said a comparison of the 3 sites had determined that the Madbury Road was the preferred site for the following reasons:

- Decrease in response time
- No significant traffic concerns
- Community presence
- Mixed use potential
- Additional civic use
- Income generation

Ms. Reda said the next step would be to establish a team to investigate possible funding options associated with developing the Madbury Road parcel, through a HUD loan, tax exempt bonding, or private development. She said the team would analyze the income generation potential and operating expenses for the property; develop a preliminary construction estimate; analyze pros and cons of potential occupants, such as Town Hall, Library, appropriate type(s) of residential housing; and a detailed financial analysis of the viable funding sources based on the other findings.

Chair Niman asked if the architectural firm would continue on with this process.

Chief Landry said the current contracted ended here, but said there was the option to retain the firm for the entire project.

Chair Niman asked if there was a ballpark figure for the building on Madbury Road.

Ms. Reda said they were in the process of finalizing estimates for the sites, and said a building built to last, that was low maintenance and durable, and had sustainable design qualities would cost \$200-250/sf. She said this didn't include acquisition of property.

Councilor Mower asked about the higher construction cost for Madbury Road, and Ms. Reda said this was because a significantly larger building was proposed, as well as below grade parking.

Councilor Mower asked about opportunities for passive energy production on the site, and Ms. Reda explained that with fire stations, things like sight lines and vehicle circulation took precedence, but she said once the building was sited, there could be some tweaking concerning possible energy gains on the site.

Councilor Mower said perhaps some community space could be obtained at the Madbury Road site by using some of the residential space above. She also said if there were evening get-togethers, there might perhaps be ways to provide parking for civic uses.

Ms. Reda agreed this might be an option, and she provided some other ideas concerning parking.

Councilor Clark asked if there was any way to weigh the impact of a fire station in the downtown. There was discussion on this with Ms. Reda and Chief Landry.

Councilor Clark asked if much thinking had been done on how a Town Hall/Library might work on the site, and if this would take up some of the residential space.

Ms. Reda said this was one of the things that would have to be investigated further in terms of what the residential need would be; what the revenue generation would be and what the long term financial impact would be on the Town; and then looking at bringing in a non-revenue producer like a Town Hall and Library.

Chief Landry noted that the mezzanine space could be adjusted without losing anything already there, and Ms. Reda said that would be less expensive than adding another floor. She provided details on this.

Councilor Sievert asked if putting the Town Hall and Library on the site, or putting the residences on the site would be a better combination of uses with the Fire department, in terms of peak traffic flow.

Ms. Reda said it would be about the same, and said both a Town Hall and Library could work well there. She said the main issue was the different financial impact these uses would have in terms of revenue generation. She noted that there was also the possible option of putting the Town Hall and Library in and putting two residence floors above that.

Councilor Sievert asked if there could be pull through bays if there was a Town Hall and Library up top rather than residences.

Ms. Reda said the site was fairly constricted in width, and said there wasn't really enough room to do the pull through bays well. She said she had designed a solution that included them, but said it didn't work well.

Chief Landry also noted the change in grade on the site.

Councilor Stanhope asked what the gross usable building area was on the upper story, and Ms. Reda said it was 18,000-20,000 sf. She provided details on why this was less than the 29,000 sf building footprint.

Councilor Stanhope asked if the area designated as terrace space on the upper level could perhaps be finished as a community room.

Ms. Reda said some of it could be done this way, but said it became a challenge from a design standpoint at a certain point.

Councilor Stanhope asked if perhaps there could be a terrace area in the interior, and Ms. Reda said it could be done, but probably not from a residential perspective.

Councilor Carroll thanked Ms. Reda for bringing some of these possible combinations forward. She said right next to this property was the Pettee Brook lot, which the Town owned, and noted there had been talk about closing Pettee Brook Road or at least just having the ends open. She said the Town had quite a bit of flexibility now in thinking about where things might go.

Administrator Selig said the Library Trustees were interested in having a library that had a real presence in Town. He asked if it would be possible to create a shared entryway so both the Fire Department and the Library could have a grand entryway on the first floor.

Ms. Reda said there had been discussion about sharing the lobby space, and said she envisioned that this could happen.

Chief Landry said it was exciting to consider the idea of possible interaction between the Fire Department and the Library.

Chair Niman said he thought the B lot solution would involve a land acquisition cost of something over \$4 million, given the loss of 140 parking spaces and the replacement cost of \$25,000 per space if a parking structure was built, and the cost of the two houses.

He said that supposing the Town couldn't obtain the preferred site, he understood the Stone Quarry Drive site was less desirable because of the additional two minute plus response time to certain neighborhoods. He asked what the value of that two minutes was, if the B lot site and the Stone Quarry Drive site were their only two options, and the difference in land acquisition costs was about \$3.5 million.

Councilor Smith asked if it was written in stone that the University couldn't lose any parking spaces.

Chair Niman said his sense was that if the Town said it wanted to use the B lot, this was how the University would figure this.

Councilor Smith said he thought a forwarding looking University would say it wanted a Fire department that was convenient to campus, wanted to do the right thing for the community, and could educate 150 people not to bring their cars to campus.

Chair Niman said he simply wanted that number in case they needed to go down that road.

Councilor Stanhope said his concern was the volume of traffic during commuter hours on Route 108, and that it added more than 4 minutes at rush hour.

Chief Landry agreed that this was a legitimate concern, and provided details on this.

Councilor Mower said there were significant drawbacks to two of the three sites, and the third site had its own unique challenges. She asked Ms. Reda if she had seen any other sites in the area that perhaps the Town should be considering.

Ms. Reda said the only other site she had looked at was a site further up Mill Road, and said there were some significant topographical challenges with it. She said it was heavily wooded, with a 30 ft difference from the highest to the lowest point, which would require a lot of cut and fill. She also said there was some water on the site, some historical foundations, and some dreadful sight lines. She said financially it would take a lot to develop the site, and said the cost would be in the \$250-300/sf range. She also said it in no way would be a good location for the Fire Department from a response time perspective.

Chair Niman thanked Ms. Reda for her hard work, and said they would move forward to see if they could make progress in resolving this issue.

Break from 9:09-9:19 pm

B. 2008 Audit Report - Greg Colby, Plotzik & Sanderson

Mr. Colby said the financial statements presented were “fairly stated” with one exception that was not unusual, which was that the capital assets of the Town had not been inventoried at historical cost prior to 2004. He noted that the Town’s assets had been tracked since 2004, and said that information was included in the appropriated schedules his company had provided.

He said page 8 of the Audit Report showed the assets, liabilities and fund balances for the Town as of Dec 31 2008, and he reviewed this information. He spoke in detail about the decrease in the fund balance because of the following:

- \$114,000 in funds used to reduce the 2008 tax rate
- \$116,727 in revenue shortfall for 2008 (interest in investments, decrease in motor vehicle permits, and budgeting error when tax rate was set)
- \$225,643 overdraft of appropriations (as a result of costs associated with the December 2008 ice storm, increased wages and benefits associated with the three unforeseen retirements at the Fire Department, costs related to the transition to the Strafford Co dispatch center, increased costs for heating fuel and gasoline and about \$80,000 applied to the closing out of capital related projects.)

Mr. Colby said this had resulted in a net budget deficit of \$342,370, which took the fund balance down to \$952,075.

He reviewed other aspect of the audit, and then noted the letter the firm had written regarding whether there were any deficiencies seen that needed to be brought to the Council’s attention. He said none had been observed, and said some improvements had been made in some areas noted the previous year. He then thanked Ms. Jablonski and other Business Office staff for their assistance with the audit process.

Administrator Selig noted the time frame within which the audit was received, and asked Mr. Colby to comment on the reason for the lag time. He also asked Mr. Colby to comment on the implication of tracking American Reinvestment and Recovery Act stimulus funds in regard to the 2009 audit. In addition, he asked Mr. Colby to comment on the fund balance decrease, and whether it was a cause for concern.

Mr. Colby said over the past few years, because of a turnover in personnel at his office, there had been a delay in getting the audits done. He said this year, it had taken some time to get the records needed to do a full accounting of one of the funds looked at in the audit. He said the firm hoped to get back on track for the 2009 audit.

He spoke in some detail on the additional audit work that would need to be done in 2010 concerning ARRA funding because Durham had received more than \$500,000 in funds from the federal government in 2009.

Mr. Colby said the Town fund balance was at \$952,000, and by the beginning of [2010] would be roughly \$740,000. He said it was hard to say whether this was cause for concern. He noted that there was an additional \$1.6 million set aside for specific purposes, so some areas were covered. He said that should be taken into consideration, but said the guidelines did indicate that the Town was well below what was recommended for fund balance. He said with a surplus that low, borrowing might have to be done.

Administrator Selig asked to what extent the audit had included double-checking of whether any fraudulent activity in Town departments had occurred.

Mr. Colby explained that a forensic audit was done when there were known cases of problems, and said they were more detailed and expensive to perform. He said a financial audit didn't get into that level of detail, but it did involve doing a risk assessment across all Town departments. He provided details on how this was done for Durham.

Quarterly Financial Report (through November 15, 2009) - Gail Jablonski, Business Manager

Ms. Jablonski said things were looking pretty good for 2009. She said revenues were less than had been anticipated, and said some fund balance was used to compensate for this. She said the projected deficit for the end of the year would be \$45,000-50,000, noting that department heads were aware of this and that this meant expenditures needed to come down as well. She said they were all working to do whatever they could to help out with this.

She said taxes were due that day, and said about 83% of them had been received, with quite a bit more expected to come in the following day. She noted that Durham had always been lucky to have such a high tax collection rate.

Ms. Jablonski said there were no major discrepancies in any Town departments. She noted that water and sewer funds were showing a decrease in revenues due to an increase in water conservation efforts by residents, which was great for the environment but not great in terms of revenues for the Town. She said DPW was therefore watching its wastewater-related expenditures.

X. New Business

Shall the Town Council approve a request from the Lamprey River Advisory Committee for inclusive costs and a conditional change order to add stone facings for Wiswall Bridge historic mitigation ?

Councilor Carroll provided an overview. She noted that Sharon Meeker, the Chair of the

LRAC, and committee member Dick Lord were present. She stressed that this was not an 11th hour attempt to change the whole project. She said the Committee had been involved in this project for quite some time, and wanted to see a very well built bridge and a beautiful historic park available for residents. She said what was proposed was a continuation of that process.

Councilor Carroll said one thing that had changed was that the Committee had some money available that they would like to talk to the Council about using. She said during the historical mitigation done for the Bridge, FEMA had offered to pay for the re-facing of two sides of the west abutment, which were the southern, downstream face of the Lee side of the abutment, plus the inside face of that same abutment. She said they were chosen because they were considered the most visible from the John Hatch park, looking upstream, and she said historical stone on the site could be used for them.

She said the other four sides of the abutment had been planned to be poured concrete, which included the westerly abutment facing upstream, and the three sides of the eastern abutment. She said the LRAC was looking at façade number four, on the downstream side of the eastern abutment. She said of all the possible facades to reface, they had considered this façade the most important because it was very visible to someone at the park or downstream from the bridge.

She said the cost for this additional façade had been difficult to determine. She said the Committee had voted to give up to \$30,000 to the Town.

Councilor Mower provided details on some cost figures that had recently been provided to the Council concerning this. She said if this additional façade was done, it would still mean that three facades were not being redone. She said for people on the water, number 3, the upstream façade of the westerly abutment was the one they would see. She noted that this was a wild and scenic river and also had a historic designation, and said the façade did not look historical at all now. She said the Council could perhaps discuss that later.

Councilor Mower noted some timing and logistical constraints. She said there was a narrow window of time available, from a construction perspective, to make any changes. She said because of that and because of the scheduling of Council meetings and LRAC meetings, there was limited time to make decisions that would allow new facing to be added. She noted that Mr. Cedarholm would need direction from the Council in order to proceed with this.

She said a precise quote was needed, and said there was a fee associated with this. She said the LRAC would need that quote and would need to be comfortable with spending the money to cover the work, and the Town Engineer would need to go ahead to make the change to the construction orders.

Councilor Sievert said it seemed like this was being jammed down the Council's throat, and said he didn't feel the proper procedures were being followed. He asked why the

DPW wasn't getting the numbers to the Council on this.

Councilor Smith said the Council was being asked to decide whether it wished to tell the Town Administrator by a vote to ask the DPW to ask CLD to provide those estimates. He said this was a very late action, but said it wasn't too late for a change order that would allow the footing to be made wider to accommodate the additional facing.

Councilor Mower said she and Councilor Carroll had been approached quite recently and asked to help residents bring this to the Council. She said she and Councilor Carroll had been clear all along that the only way they would do this was if there was no expense to the Town, and it was a fairly straightforward procedure. She said it had become a bit more complicated, but said it was an opportunity to do something that was more historically and aesthetically appropriate.

Councilor Sievert received confirmation that this wasn't done before because there wasn't money from FEMA for it.

Chair Niman said when this bridge first came up for discussion, he was shocked to learn the cost would be over \$2 million. He said at that point, he and some other Councilors decided they wanted to spend as little as possible on it. He said the LRAC had some funds it would now like to dedicate to the project, and said he wanted to confirm with Mr. Cedarholm that it wasn't too late to do this work, and it wouldn't adversely affect the project.

He said his own perspective from day one was that if the LRAC wanted to spend their money on this, he was fine with it. But he said if Town money was involved, he felt there were other priorities. He also said he agreed with Councilor Sievert that this was late in the process. He then said he was concerned that based on recent information he had received, things might be spinning out of control, and said this made him extraordinarily uncomfortable.

Councilor Mower said that was why she would like to hear what Mr. Cedarholm had to say.

Chair Niman said he would like to hear from Mr. Cedarholm as well, and would then like to limit the Council to discussion on whether there was agreement on the one additional façade. He said if someone on the Council then wanted to discuss the other facades, he would have a problem with this.

Councilor Mower said information she had provided to the Council that weekend represented figures that might be close to what the final figures would turn out to be, and said Mr. Cedarholm would speak on this.

Mr. Cedarholm said Councilor Mower had done a fine job representing the picture. He first said he wanted to clarify that the change order would be signed with Audley, although CLD would prepare the actual documents. He said he commended the LRAC

for coming forward to offer putting more stone on the bridge, and said it would enhance the view of the bridge from any point in the park.

He said he had been an advocate of this since the spring, when he had met with the committee. He said at that point, they had agreed this would be handled, if it happened, as a change order, so it wouldn't delay the project. He noted that work on the bridge hadn't actually gotten started until September because of a lengthy bid process.

Mr. Cedarholm said there had been a lot of discussion about what the change order would be, and said he had determined that a compromise would be to recommend one additional face, which he felt wouldn't compromise, complicate, or delay the project too much, if the same process used to create the other facades was utilized.

He noted that right now, the contractor was finishing the coffer dam on the west side, so there was no opportunity to add more stone to that abutment. He said they were close to starting the coffer dam for the eastern side, and said there was time to do a change order to make it larger so the abutment could be somewhat bigger and more stone could be added to it. He said this should not add more time to the project.

He noted that if the contractor needed to do this work while the impoundment was de-watered, this could add more time to the contract. He said if the work could be done in the spring during a second de-watering event, it might not delay the project much. He noted that they had until the middle of February to do all the in-river work, but said if there was an additional draw-down in the spring to finish some in-river work, this could include doing the additional face.

Councilor Mower confirmed that the potential for adding time to the project, by adding one additional face, might not be significant. She asked Mr. Cedarholm why it would not be possible to use the thinner stone Mr. Burrows had suggested.

Mr. Cedarholm said the stone mason had indicated that it would be difficult to create a shallower veneer out of the type of granite they were using. He also said the LRAC monies were federal money, and said using a different method would require a new review by all the parties that had signed the MOA. He noted that Nadine Peterson of the State Division of Historic Resources had indicated that the additional façade as currently proposed would not require such a new review.

He said CLD's quote for the additional façade was close to what he thought it would cost, and said this was an advantage of using the same method and pay items. He said enlarging the coffer dam was included in this.

Councilor Stanhope noted there would be some additional cost to do the plan and estimate for the additional façade, and asked if it was correct that the Town would not be obligated to pay for this.

Mr. Cedarholm said he was looking for LRAC to pay for that as well as the installation.

Councilor Stanhope asked if there were anticipated maintenance costs for the additional stone façade.

Mr. Cedarholm said yes, but said a downstream façade shouldn't require that much maintenance as compared to an upstream façade. He provided details on this.

Councilor Stanhope asked if there was any idea what the cost would be on an annualized basis over the life of the bridge, and Mr. Cedarholm said it would be a few hundred dollars per year over 30-40 years.

Councilor Mower asked what an appropriate figure was for the maximum cost for generating a quote for the engineering, and Mr. Cedarholm said he would be comfortable with a cost of \$3,500 - 5,000, and provided details on this. Councilor Mower asked what the drop dead time was for getting a go ahead from LRAC to initiate the change order, and Mr. Cedarholm said Wednesday of that week.

There was discussion that the quote was needed in order to do the change order. Mr. Cedarholm said he had told the LRAC if they could give a commitment of \$40,000 to do the work, he would be comfortable directing CLD to prepare a change order.

Councilor Mower said the LRAC was concerned about a possible moving target for the cost. She said one approach was for the committee to vote on how much they would pay to get a firm quote, and then vote up to a certain amount of money to cover everything.

She said if getting the quote cost \$5,000, and then the quote itself came up with a project that would cost \$50,000, they might not be willing to fund that, and wouldn't request the change order. But she said if the quote came in at \$33,000 for the work, they might be willing to pay for both. She said they would vote on these two different things the following evening, and asked if that would work.

Mr. Cedarholm said this would be a sensible way to go.

Councilor Mower asked if it would work if Mr. Cedarholm heard from the committee by Wednesday morning that they would pay to have the quote developed, and if the committee would then need some time to get the quote, and based on it would perhaps request the change order.

Mr. Cedarholm said if the LRAC could get all of this done within the next week and a half, that would work.

Sharon Meeker, Chair of the LRAC, thanked the Council for this opportunity. She said they had been asking for more precise figures for over a year, which was needed when they requested the money from the National Park Service. She said the LRAC wanted to give the Town money for this façade, to make it a part of the whole historic district.

She said she would try to talk with the Committee about having to pay for a quote, and

about the \$40,000 figure which should perhaps cover the quote. She said they could probably get that as long as they didn't separate the cost for the quote from the quote itself. She said they were clear on what was needed in order to do the quote itself.

Councilor Mower said the LRAC was a volunteer group, which put a lot of effort into this complicated work. She said they deserved a lot of credit, and said she wished they didn't have to pay to get these numbers, but said that wasn't possible.

Mr. Cedarholm said for two years, they had been saying the two faces would cost \$75,000, so each additional face would cost about half of that. He said the LRAC hadn't liked that number for 2 years, and had wanted the estimate method changed so they could fund stone on the entire bridge for \$30,000.

Chair Niman said he would like to do something more informal than the motion Councilor Mower had developed. He asked Mr. Cedarholm if the Council could direct him to move forward in a sensible way, understanding that there wasn't any money in the Town to pay for facing number 4 or get a quote, and if someone else could pay for this, that would be great.

Councilor Mower said she had done this so there would be something precise to take back to the LRAC.

Chair Niman said he stood corrected.

Councilor Mower said she understood that the motion she had developed was elaborate. She then reviewed the first part of the motion with the Council. She was in the process of developing the second part of the motion, when there was discussion that the \$5,000 amount for engineering included all of the engineering, including the development of the quote itself.

Councilor Sievert expressed frustration that this process was not well organized.

Mr. Cedarholm said he simply needed direction to have CLD and Audley prepare a change order. He said if the LRAC was willing to pay for that, they then could either move forward with that number or not.

Councilor Mower said she would make sure the LRAC had the information it needed in order to vote the next day. She said this was a reasonable thing to provide them with, considering the fact that they were offering to pay for this.

Chair Niman asked Mr. Cedarholm to figure out the time and date to fill in.

Administrator Selig said the question was whether the Council was comfortable with the Town or the LRAC paying for the quote. He said if the LRAC was then comfortable with the quote, it could authorize the go ahead for the work.

Councilor Sievert said no one should have to pay for the quote.

Mr. Cedarholm said CLD would need administrative time to work with Audley to pull the number together. He said the engineering itself should run between \$2,500-5,000. He said about \$40,000 would be needed for the change order, design and construction.

Councilor Smith MOVED to extend the meeting beyond 10:30 pm. Councilor Mower SECONDED the motion and it PASSED 6-1, with Councilor Stanhope voting against it.

Mr. Cedarholm said there was already an estimate, which was \$32,000 to construct the façade, and stated again that including engineering, the change order, etc., the whole thing would cost about \$40,000.

Administrator Selig said he had been reluctant to tell Mr. Cedarholm to go ahead with this because the Council had said it wanted a minimalist approach to the Wiswall bridge. He provided details on this, and said he had been very protective about allowing anyone to modify that.

He said his understanding now was that the Council was open to seeing a third façade created, as long as the LRAC covered that 100%. He said he was comfortable authorizing Mr. Cedarholm to proceed on that basis.

Councilor Mower asked Ms. Meeker if she had the information the LRAC needed.

Ms. Meeker said the Committee would be asked to spend \$10,000 more than they had thought it was going to cost, and said they would talk about this.

Administrator Selig explained that the process had been further confused by the fact that the Town had received federal stimulus funds that had dramatically decreased the share it had to pay for the bridge, and residents in the district had therefore asked if the savings could be spent on enhancements for the bridge. He said his position had been that the Town was in a tight fiscal situation, and if it didn't need to spend this money, it would not do so.

Chair Niman summarized that the Council had directed the Administrator Selig to move forward on façade #4 as long as there was no cost to the Town, including not delaying the deadline.

He asked if any Councilors wanted to talk about any of the other facings, and it was agreed that they would move on to the next Agenda item.

Councilor Stanhope left the table at 10:34 pm.

XI. Unfinished Business

Continued deliberation on the Town Administrator's proposed FY2010 Operating

Budgets and Capital Budget, and the 2009-2010 Capital Improvement Plan

Chair Niman noted that they had previously made a list of issues to be resolved concerning the Budget, and were in the process of moving down the list.

Councilor Mower said she had a specific question on the Coe Drive culvert, which was an item cut from the budget. She asked if it needed serious attention.

Mr. Cedarholm said the culvert was 18 inches in diameter, was concrete reinforced, and received drainage from all the way up Beards Creek, past the school, the other side of Route 4, the Bucks Hill neighborhood and also water from Little Hale. He noted that the culvert under Bagdad Road was 3 ft in diameter, and the one under Route 4 and the other section of Bagdad Road near the school was 5 ft. He said all these culverts were delivering water to an 18 inch culvert.

He said unfortunately they didn't take a close look at this after the 2006 and 2007 floods. But he said last year when a culvert study was done, DPW evaluated all the culverts, and this one was found to be the worst one in Town. He said the last few sections had separated and dropped, and it was compromised as well as being too small. He said the culvert was in danger of washing out, and said it would cost about 75,000 to repair.

Councilor Carroll said in the CIP, page 63, the information on the culvert was there. She noted \$35,000 was in the 2010 budget for engineering, but was cut, and was backed up a year. She said she believed that was engineering money. She said she was really concerned about this item, noting that the CIP said this and other culverts were in serious disrepair.

Councilor Carroll said if they didn't fix the culverts, residents wouldn't have use of the roads. She said this was a part of the infrastructure that could do the Town in if it was not addressed. She said they needed to get the culverts program started, which seemed like a good program. She said the \$35,000 should be reinstated, and said the Town should move this work ahead so they didn't wind up paying a lot of money in the future.

Mr. Cedarholm said this culvert was at the top of the list because there was a water line and a sewer line running right under it. He noted that when the road in this area had washed out, the sewer manhole had been completely exposed, and DPW had focused more on the sewer issue than the culvert issue. He said he was concerned about the sewer and water lines there.

Councilor Mower said this made sense if it was an imminent problem.

Mr. Cedarholm, said the Town could put in for a Coastal Program grant, also noting that he had considered doing the same thing for a culvert on Dame Road, which might rank higher because it drained directly to Great Bay.

Chair Niman summarized that the suggestion was to put the culvert program in place in

2010, and that Mr. Cedarholm was committed to looking for grant funding.

There was discussion that the money should be budgeted up front, and the grant money would then be looked for.

Councilor Stanhope returned to the table at 10:44 pm.

Councilor Clark noted that this item wasn't on the top five list of things that Administrator Selig would put back if he could do so, and asked if this would be #6 on that list.

Administrator Selig said it probably wouldn't be, stating there were several important projects that were deferred for a number of reasons. He said it had been felt that the culvert project could be pushed back a year, and noted that there were some projects DPW had ranked ahead of it, even in 2011. But he said if there were imminent issues in 2010, they might need to re-prioritize.

Councilor Sievert asked if this culvert had been in the same state of disrepair since 2006, and Mr. Cedarholm said it came to light in September of 2008, and was late to incorporate in the CIP at that point.

Councilor Sievert said this would probably wind up being an open bottom arch pipe, and Mr. Cedarholm said he expected so.

Councilor Mower asked if the rate of deterioration might not be such that there would be an imminent problem in the next year.

Mr. Cedarholm said the Town had lucked out recently concerning storms.

Councilor Sievert said if there was a flood, it would be a disaster and another police officer would be needed.

Councilor Carroll said it was important to get this program going.

Administrator Selig said if the Council wanted to add money back in for this project, Town staff would be pleased to do this.

There was next discussion on the strategic plan and further efforts by B. Dennis Town Design.

Councilor Clark said it was critical that the Council not let this work that had recently been done come to nothing. He said he wanted to make sure B. Dennis Town Design had what was necessary for a legitimate second phase.

Administrator Selig suggested that adding \$30,000 to the Budget would allow them to make headway with master planning and the form based code in a timely way.

Councilor Mower said she was fine with this.

Chair Niman said he agreed but didn't want to raise taxes in order to do this. He noted that when the Stone Quarry TIF was set up, UDAG funds were dedicated to that project. He suggested that they pull that funding back, and use it instead of putting \$30,000 in the Budget.

Administrator Selig said the Town had tied up \$50,000 of UDAG funds in order to move forward with the TIF project for Stone Quarry Drive, so he hadn't viewed it as a potential source of funding. He said the UDAG funds were fully committed right now, and said it would take an action of the Council to untie them. He noted that the TIF had not moved forward.

Chair Niman recommended that the Council disengage the funds, and other Councilors agreed.

Councilor Smith said he was all set concerning the Budget item he had been thinking about.

Councilor Carroll said the Household Hazardous Waste Program was \$4,500 dollars, which was a small amount. She spoke about the program, and said at a certain point it was determined it needed to be done every year, because when it was done every other year, people had to be turned away. She said with this program, toxics went where they needed to go. She said the Council should not drop this program, because the cost was far outweighed by the good it did.

Councilor Mower said she had heard concerns from residents that many people thought adding a police officer would solve some of the problems experienced this last fall regarding the rowdiness in the streets. She noted that Chief Kurz had said that might not happen with the addition of one police officer, but said it was important to remember that there were reasons to add a police officer or not add one that were separate from that.

She said the fund balance was used to help balance the 2008 Budget in order to help stabilize the tax rates. She noted that the fund balance now fell outside the range of the low end of generally accepted accounting practices, and said she hoped the Council would keep this in mind.

Councilor Mower said she personally didn't believe in stating that one would accept the expertise of Administrator Selig and Ms. Jablonski for any specific year in the Budget. She said if that was the perspective, it should be the case regardless of the year. She then said she would be more comfortable adding certain things back into the Budget, even if it meant raising the tax rate. She said she would first give preference to the priorities Administrator Selig had mentioned.

Chair Niman said he wondered if there might be some strategic opportunities to sell

Town assets in the coming year, as a solution to the fund balance problem. He noted the Durham Business Park was one opportunity, and said there might be some other strategic opportunities to do something similar.

Councilor Mower noted that there was more than one way to replenish the fund balance.

Administrator Selig reviewed his top five priorities of things that could potentially be added back to the Budget:

- Fire Department Capital Reserve - adding approximately \$300,000, shared 50/50 with the University in order to avoid debt service on major capital items other than building a new fire station.
- Add \$300,000 to the fund balance contingency line and not spend it, so that it would wash into the fund balance
- Put an additional \$200,000 toward roads, which would be put in a capital reserve fund that would perhaps be spent in 2010 or perhaps in a subsequent year, but would allow the Town to take advantage of favorable bids and/or a drop in asphalt prices
- Add \$70,000 to the Budget to cover a 19th police officer
- Add \$30,000 back to cover planning funds cut, to empower moving ahead with the master plan process and possible Zoning changes.

Administrator Selig said these things represented investments in the Town that would pay off in the long term.

Councilor Smith said these items totaled \$900,000.

Administrator Selig said de-linking UDAG funds from the TIF would allow \$30,000 to be put toward master planning and possible Zoning changes. He noted that this had been done in the past, but not in the last two years because of the TIF.

Councilor Mower said another argument for doing this was the financial projections, She said if there was a 0% increase in the tax rate this year, it might be 15% next year. She said it might even things out somewhat for next year if they took some of the UDAG money this year.

There was discussion on how to proceed. Chair Niman noted that the Council had now completed talking about items on the list they had put together, and that they could now consider whether to make motions on any of them.

There was discussion that the formal Budget resolution would be developed that would encompass everything, and voted on after all of this was in place.

Councilor Carroll MOVED to add into the Budget the cost of a 19th police officer. Councilor Sievert SECONDED the motion, and it FAILED 3-4, with Councilor Carroll, Councilor Sievert, and Councilor Stanhope voting in favor if it.

Councilor Carroll MOVED to put \$100,000 back into the roads program. Councilor

Mower SECONDED the motion, and it FAILED 2-5, with Councilor Carroll and Councilor Mower voting in favor of it.

Councilor Stanhope MOVED to put \$200,000 in the Fire Department capital reserve fund. Councilor Mower SECONDED the motion.

There was discussion on the number chosen. Councilor Sievert said he had planned to make this motion as well, but wanted to go for the full \$300,000 because it would be split 50/50 with UNH.

Councilor Stanhope said he would re-phrase the motion to be \$300,000.

Councilor Clark said he was thinking the number should be \$100,000 as a statement that they wanted to make a commitment to this fund but that this wasn't the year to do the whole thing, and that next year it would have to go up. He said \$200,000-300,000 represented a full percentage increase in the tax rate, and said that was too much.

Councilor Mower said she got the sense that the Town wouldn't really get the benefit unless it was kicked off with the \$300,000. There was discussion on this.

Administrator Selig said the problem was that in 2011 there were some significant purchases planned.

Chair Niman said his preference was to sell a Town asset and use that to finance this.

Councilor Stanhope said he would stay with the original \$200,000 he had put in his motion.

Chair Niman said if Councilors didn't like the \$200,000 number, they could vote it down.

It was then agreed that they would determine what number each of the Councilors was comfortable with.

Councilor Stanhope withdrew his motion, and Councilor Mower withdrew her second.

Councilor Clark \$100,000
Councilor Carroll \$300,000
Councilor Sievert - not sure
Chair Niman \$0
Councilor Stanhope \$200,000
Councilor Mower \$300,000
Councilor Smith \$0

After further discussion, it was determined that Councilor Carroll, Councilor Mower, and Councilor Stanhope were in favor of \$295,000. It was then determined that Councilor

Carroll, Councilor Mower, Councilor Stanhope and Councilor Sievert were in favor of \$200,000.

There was discussion on using UDAG funds for planning work. Administrator Selig said if the Council wanted to use the funds for this, something would be brought forth, along with the Budget Resolution for the Council to approve the use of UDAG funds for this purpose.

There was discussion on whether to do a motion concerning the fund balance.

There was further discussion on the roads program. Chair Niman said his recommended strategy was to wait for the price of asphalt to come down, and if money was still cheap, to bond and do a lot of roads at that point.

Administrator Selig said that was a valid way to proceed. He also said the Town could go out to bid and structure this in such way that if there was a favorable bid, the Town could then discuss further whether they wanted to do more roads. He said this would require a 2/3 vote. He said the money for this could come from cash later on in the year, and taxes could then be raised to pay for this. He said the money could also come from fund balance, or they could bond the amount.

There was discussion that the Town could bond if the numbers were attractive.

Councilor Carroll moved to increase the contingency line by \$200,000 with the understanding that it would lapse into unreserved fund balance. Councilor Mower SECONDED the motion and it FAILED 3-3, with Councilor Carroll, Councilor Mower and Councilor Smith voting in favor of it and Councilor Clark abstaining.

Councilor Clark said he wasn't clear on what they had voted on. He also asked what increasing the contingency line would do to the tax rate.

Councilor Mower said this would add \$66 to the taxes for a \$300,000 house.

There was discussion that putting \$200,000 into the fund balance now could be used to moderate the tax rate next year if needed.

Councilors agreed to vote on the motion again.

The original motion PASSED 5-2, with Councilor Stanhope and Chair Niman voting against it.

There was additional discussion about the idea of using Town assets to raise funds for the Budget in order to get the tax rate down.

Councilor Smith MOVED to put the culvert for Coe Drive for \$35,000 in the Budget. Councilor Carroll SECONDED the motion. It FAILED 3-4, with Councilor Smith,

Councilor Carroll, and Councilor Mower voting in favor of it.

Councilors agreed to take \$30,000 in UDAG funds and put this toward strategic planning. There was discussion on whether UDAG funds could be put toward the contingency fund.

Councilor Carroll MOVED to put \$4,500 back into the Budget to see that the Household Hazardous Waste program runs this year and that they not skip a year, so people will have a place to bring the toxic materials they have. Councilor Mower SECONDED the motion.

Councilor Mower suggested that there might be an opportunity to begin giving notice that from next year on, this program would be every other year.

Chair Niman said when he bought his house, he inherited some hazardous waste, and said it could sit another year and no one would be the wiser.

The motion FAILED 2-5, with Councilor Smith and Councilor Carroll voting in favor of it.

Chair Niman said the Budget Resolution would be put together. There was discussion that until the Budget was voted on, the Resolution could still be amended, and that everything in the Budget was still fair game.

There was discussion that the total increase in the Budget recommended based on this meeting was \$100,000, for the Town's share of the Fire Department capital reserve fund, plus \$200,000 for the contingency fund/fund balance.

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

Adjournment at 11:25 pm.

Victoria Parmele, Minutes taker