

D-R-A-F-T

**Durham Town Council
Monday November 8, 2010
Durham Town Hall - Council Chambers
7:00 P.M.
MNUTES**

MEMBERS PRESENT: Council Chair Diana Carroll; Council Vice Chair Neil Niman; Councilor Julian Smith; Councilor Mike Sievert; Councilor Robin Mower; Councilor Doug Clark; Councilor Jay Gooze

MEMBERS ABSENT: Councilor Peter Stanhope; Councilor Bill Cote

OTHERS PRESENT: Town Administrator Todd Selig; Business Manager Gail Jablonski; DPW Director Mike Lynch; Police Chief Dave Kurz; Jim Campbell - Director of Planning and Community Development; Tom Johnson - Director of Zoning, Building Codes & Health; Library Director Tom Madden; Town Clerk Laurie Pitt

I. Call to Order

Chair Carroll called the meeting to order at 7:03 pm, and said this was a workshop that had been scheduled so the Council could discuss the Budget and the CIP.

II. Approval of Agenda

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

Chair Carroll said the discussion on the Budget would begin no later than 8 pm. She also said that on November 15th, residents would have the opportunity to speak at the public hearing on the Budget and CIP.

III. Shall the Town Council authorize the Town Administrator to sign the second-half 2010 Property Tax Warrant?

Councilor Smith MOVED that the Durham Town Council authorize the Town Administrator to sign the Town of Durham's 2010 Tax Warrant directing the Tax Collector to collect property taxes in the amount of \$12,216,674. Councilor Mower SECONDED the motion.

Administrator Selig provided information on the tax rate. He said the 2009 tax rate was \$27.00/per thousand, and the 2010 tax rate, confirmed by the Department of Revenue Administration, was \$27.28, which was a 1% increase over 2009.

He said the Town portion of the tax rate for 2010 had increased from \$6.52 per thousand to \$7.12 per thousand, which was a \$0.60 increase, and said this was primarily because the tax based had decreased rather than increasing over the past year, because of tax

abatements. He noted that the Town's overlay account had to be increased from \$125,000 to \$360,000 because of the tax abatement to Goss International.

Administrator Selig said the County portion of the tax rate had increased in 2010 from \$2.30 per thousand to \$2.54 per thousand. He said the good news regarding the tax rate this year was from the School District, where the combined local and State school tax rate had decreased by \$0.56, from \$18.18 down to \$17.62 per thousand.

He said this decrease had resulted from a surplus at the end of the school year on June 30th. He said of the approximately \$2 million surplus, about \$1 million came back to Durham. He said the School Board and School District should be given a lot of credit for not spending this surplus, and turning it back.

The motion PASSED unanimously 70.

- IV.** Update on process regarding the development of a public library at the DiMambro site and discussion concerning desirable size for a structure at said site – Douglas Bencks, Chair, Library Board of Trustees and Tom Madden, Director, Durham Public Library

Administrator Selig first noted that this topic had major budgetary implications for the Town, which was why it was being discussed now. He said the Trustees were currently engaged with a consultant to determine the layout and square footage that was needed for the new Library, and said that the size would play a pivotal role in determining the overall price of the facility.

He spoke about Durham's goal to be a more sustainable, energy efficient Town, and noted that NH Public Radio had done a piece on the fact that the Town was the first municipality in the State to adopt the PACE enabling legislation. He also said the Council's goal of being sustainable was spreading to other areas, and noted that his new business card said "Everyone can tackle climate change. How can you reduce your carbon footprint?"

Administrator Selig said that as they entered into the library discussion, there was a real opportunity to create a showpiece for sustainable design.

Library Director Mr. Madden said he and the Library trustees felt it was important to speak with the Council at this point. He said there were a lot of things happening, and it was important to keep the Council informed and perhaps get some guidance.

He said the Trustees had looked for a consultant to do an objective, updated space and needs analysis on what was needed now. He said the building program being developed also helped determine space needs, features, etc. the new library should include. He noted that libraries these days were in a transitional phase in terms of the services they provided.

Mr. Madden also said the building program being developed would serve as the basis for the library design. He said the Trustees had hired a forward thinking consultant from Hartford, CT, who had a lot of experience in library design. He provided details on this,

and said he was brought on board in September, and said the building program he wanted to develop had three major components.

Mr. Madden said the first phase was to provide the consultant with historical, demographic, etc information on Durham as well as comparative data on other libraries in the region. He said the second phase was to do community outreach to get public input, and **said Mr. _____ had** been in Durham twice to speak with small focus groups that included Library Trustees, Councilors, residents, members of DCAT, the Durham Historical Association, etc.

He said some great feedback was obtained from the focus groups, and was incorporate into the consultant's planning document. He said spreadsheets and graphs had then been developed to determine the area needed for the Library. He said it was determined that a facility of 10,000 so of net usable space was needed to provide library services, and also said 3,000 sf of non-assignable space was needed (hallways, etc.) He said the total figure arrived at was 13,364 sf.

Library Board of Trustees Chair Doug Bencks spoke next, and noted that the prior estimate for the new Library was over 14,000 sf. He said this had been narrowed down a bit by cutting down on the size of the book collection, since people were transitioning to alternate forms of information. He said it was anticipated that 1/3 of the library would be for the collection, and 2/3 would be space for people.

He said the consultant had made some alterations based on feedback received, and had provided a draft narrative that described the various spaces proposed for the library, along with a detailed description of the features of the spaces, such as electronic workstation, etc. he said this information would be provided to the architects.

Mr. Bencks explained that there was a need for the library to be flexible, in terms of meeting the needs of the community, adapting to technological changes, etc. He noted that there had been tremendous changes in libraries over the past 15 years, and said it was important to plan ahead in terms of spacing, in order to accommodate further changes.

He said the consultant would be coming back to Durham on November 19th and would be meeting with the architects. He said at that time, the building committee would be involved for the first time. He said the building program the consultant was developing was due in early December, and said it was the foundation of the design process. He said the consultant would then continue to work with everyone on the design process.

Mr. Bencks next described the selection of the design-build team, and said everyone would be under one contract. He said there were 8 submissions, and Bowan Construction of Meredith **and** _____ of New London were chosen. He said that together, the two companies had designed and constructed a number of libraries in NH.

He said a number of approaches were provided by the various companies that applied, and said they each provided estimated costs for their proposals. He noted that the Trustees wanted a LEED project, and said the costs ranged from \$3.3 to 3.7 million. He noted that this was significantly more than the Trustees had budgeted, and that was in the CIP. He said the number in the CIP was \$2.75 million. He said the Trustees felt the new numbers were realistic and accurate, and he spoke further on this.

He said the Trustees had looked at the cost of a number of other libraries, and most were lower in cost. But he said a similar project in Lebanon with LEED gold certification was right in line with this project. He said the Trustees had an obligation to find ways to squeeze down the square footage and control costs as much as possible. But he also said it was important to make sure that they didn't lose track of the things they were striving to do with the building.

Mr. Bencks said it was realized that meeting the fund raising goals would be even more of a challenge. He said the Trustees were beginning to make connections with the key people in the community that would lead the fundraising efforts, and get some major contributors over the next year so the Trustees could come back to the Council in a year and talk about a possible bond vote in March of 2012.

Councilor Gooze said everyone was obviously thinking about costs. He asked how the library could be designed when it wasn't known how much funding would be obtained through fundraising, and when the bond depended on how much was raised from the fundraising.

Mr. Bencks said the first stage of the design would be done, and said the schematics developed would be enough to show in a general way how everything would be put on the site. He said an accurate number would be obtained of what this would cost, and said that would be the basis for the fundraising and through to the bond vote.

He said a detailed design would not be done until after there was a level of confidence that they could move forward. He acknowledged that there was some risk in this, noting that it would cost \$70,000-80,000 for the design work up front. But he said this was a risk that needed to be taken in order to move forward.

Councilor Niman said there hadn't yet been discussion on whether the Town would be interested in buying the property next door to the Library site and putting a Town Hall there. He asked if this information was important to the Trustees in order to select the Library design, or if that design could be done independently, and if the Town did decide it wanted to acquire the property, it could then be integrated into the Library design.

Mr. Bencks said there were certain design approaches that wouldn't work as well if a new Town Hall was involved. But he said he presumed that the Town would like to keep the option of including the Town Hall open as long as it could, so the Trustees would try to keep the Library design as flexible as possible.

Councilor Niman asked what the time frame was in terms of developing the schematic design, and if there would be time for discussion before starting that process.

Mr. Bencks said they were looking to complete the schematic design by February, as a tool for fundraising. He said the Trustees were committed to an open, inclusive process to get there, and he provided details on this.

Councilor Smith asked if the Trustees and the consultant planned to speak to the Planning Board as part of that process, and Mr. Bencks said yes, at the appropriate time.

Administrator Selig said he, Mr. Bencks and Mr. Madden had discussed this issue. He noted that the Town was exempt from its own Zoning regulations. He said he had recommended that there be advisory consultation with the Planning Board, and that every effort be made to comply with the Town's regulations, but that they shouldn't bind themselves to this. He said the goal would be to do a LEED structure that they could be proud of. He said his sense was that they would go beyond what was required by the Town regulations in many ways, but said there might be some tradeoffs for the public benefit.

Councilor Sievert asked if the UNH library had played a role in the information that was provided to the consultant.

Mr. Madden said the consultant had incorporated this history into his thinking.

Councilor Sievert noted that a community room for 100 people was proposed. He said a community building was also proposed for the new Fire Department building, and said he wasn't sure the Town needed several of these.

Mr. Madden said that at the library he had worked at previously, there was a large community room that was booked all the time.

Councilor Sievert asked if the plan was to get LEED Gold certification or to build to those standards.

Mr. Madden said he believed that the goal was to get the certification of possible.

Councilor Sievert asked about the cost implications of doing this.

Mr. Bencks said there wasn't a hard number on this yet, and said it would depend on what the baseline was.

Councilor Sievert said he was not against the idea of LEED certification.

Councilor Clark said he thought LEED certification was overrated in terms of the return relative to the cost. He said making good, solid energy efficient buildings was a better use of money. He also said it was frustrating that at the end of the process, the cost for the new Library was inching up, instead of pushing hard to lower the cost. He said his sense was that there was a lot of enthusiasm for the project, and said he hoped that the process underway would explore how to save money as aggressively as possible, and still get what residents were all hoping for. He questioned the amount of common space that would be needed for the Library.

Mr. Bencks said this was not the end of the process. He said parameters for the design process needed to be established, and said the Trustees agreed that they needed to look for ways to squeeze down the size and cost of the facility. But he said it would be ill advised to start the process by simply and arbitrarily saying the Library should be smaller.

He said the Trustees took the responsibility of keeping costs under control very seriously, but he also said they were talking about an asset the Town would have for a long time. He said his own experience from working on capital projects at UNH was that skimping up front could result in a cost later.

Councilor Mower said she echoed the concerns raised by Councilor Clark and Councilor Sievert regarding the need to go for LEED certification, and provided details on this.

Administrator Selig said he would like to discuss how the design related to staffing.

Mr. Madden said the new Library would still have a small staff. He explained that sight lines and proximity in the Library needed to be considered, and said it was important that several areas could be served from one space.

Chair Carroll said there had been talk about keeping the operating budget for the new Library down after it was built, and said it would be helpful for residents to hear specific information on the operating costs for a LEED building. She also asked whether in the planning so far, there had been any discussion on designing the building so it could be added on to as necessary in the future, as the Town grew.

Mr. Bencks said all of the designs provided by the potential architects for the project had showed ways the building could be expanded in the future.

Administrator Selig said he had two points to make, and said the first was that part of the overall package of what Library they could afford was dramatically impacted by fundraising efforts. He said they might want to see how effective that was before deciding on what to include and what not to include.

He also noted that the Town didn't own the current library site, and said the rent currently be paid to have the library there would be devoted to debt service for the new Library, which would be a facility that better served the Town's needs. He noted that this was the same situation being faced by the Fire Department, where money was being spent on rent that could be channeled into a more productive use.

Councilor Mower asked if a smaller Library could potentially be built now, and it could be added onto later.

Mr. Bencks said yes, and said this approach would be look at. He noted that as part of this, it would need to be considered how soon the rest of the facility would be needed, and how cost effective it would be to wait to include it. He said the Trustees realized that a whole range of strategies needed to be looked at in terms of funding.

Administrator Selig noted that the current library space was marginal in terms of its size, and said it was important to realize that when the new Library was done, there was likely to be a surge in demand. He cautioned everyone about under sizing the new Library and then later having to retrofit it.

Councilor Gooze said this likelihood of increased usage had been discussed with the team.

Chair Carroll thanked Mr. Madden and Mr. Bencks for the presentation and discussion, and said it had been very helpful for the Council and residents, early in the Budget process.

The Council stood in recess from 8:05 to 8:10 PM.

V. Deliberation on the Administrator's proposed FY 2011 Operating Budgets, Capital Budget, and 2011-2020 Capital Improvement Plan

Chair Carroll said that at the Agenda setting meeting, the suggestion was made that individual Councilors could put an item on the table for discussion, and it would then be discussed until the Council felt it had finished with it for the time being. She suggested that rather than voting on a particular item, there could be a show of hands as to whether there was a consensus regarding it.

Councilors began by discussing the Budget. Councilor Niman asked what inter-fund transfers were, and Administrator Selig explained that this was a transfer from the capital fund to the general fund to purchase something like a police cruiser, or a transfer of revenues from the Depot Road fund to another fund to offset a loss. He and Ms. Jablonski provided examples of this in the Budget document.

Councilor Clark noted that some of these items were bonded, so didn't go away, and Administrator Selig said that was correct, stating that they were funded as debt service.

Councilor Mower said she wondered why some of the suggested structural changes to departments that were considered as a result of using the Kaizen process may or may not have made into the Budget.

Administrator Selig spoke in detail on this, noting first that being more efficient with Town resources was a multi-year initiative. He said many of the hard decisions had already been made in the past, in terms of positions that were needed or could be reallocated. He said staffing patterns had changed in an effort to continue to meet community needs, and said this had placed the Town in a strong position. He said this year it came down to the fact that additional things that would be cut would mean there would be an inability to accomplish what the Town wanted.

He noted that the DPW had brought on an additional engineer as part of the 2010 Budget, and said that position had allowed that department to stay on top of more than 40 projects. He said the Town engineer's time was being used much more effectively now, and he provided details on this. He said as part of the Budget process for 2011, he and the DPW had looked at whether this position was still needed, or if perhaps some of the work could be contracted out instead. He said it was determined that at the present time, the existing staffing made sense.

Administrator Selig said other Town departments had been looked at in a similar way. He noted that the hierarchy of the Fire Department had been in flux over the past few years. He also said that there had been questions as to whether more staff people were needed for the Town Clerk's office. He said the work load would dictate that, but said the present level of staffing had been sustained in part by outsourcing the work the department previously had done on taxes.

He said the idea of hiring an additional MIS person was studied, and it was agreed that although this person was needed, the issue was the cost. He said he had opted not to bring on the additional person, and work study students had been utilized instead. He provided details on this. He also noted that currently, Mr. Vincent spent a lot of his time on servicing equipment because some of it hadn't been replaced, rather than being able to plan for the future regarding technology improvements. He said the Budget therefore included replacement of some hardware.

Administrator Selig said it was agreed that the 19th police officer hired last year was critical, so there was no proposal to cut it. He said that department said they could actually use additional staff, but this was not funded.

In regard to the staffing pattern at the Fire Department, Administrator Selig said he was convinced that 5 person staffing was appropriate based on the present level of infrastructure in Durham, as well as because of the new construction underway in Town and planned for the future.

He said the key take away regarding the Kaizen process was to get the people who did the work together to talk about improving efficiencies. He said doing this was a lot more than many other towns did.

Councilor Niman asked Administrator Selig if he was saying there was no place to cut the Budget, despite a large decrease in revenues, the property base decline, and the downshifting from the State to local towns.

Administrator Selig said he was not saying that. He said the Town wasn't able to know what would happen in the coming year, and said with the recent election, there was even less clarity than there otherwise would have been in terms of what would happen. He predicted that there would likely be a constitutional amendment dealing with education funding, which would probably mean less State assistance coming to towns to support education.

He also noted questions about the solvency of the NH retirement system, and said to make up for the revenue loss within that system, instead of passing the additional cost on to employees, the cost would be passed on to public employers. He said the Legislature had been willing to allow this, and unwilling to create any significant reform to curtail future escalating costs.

He said there was likely to be an appetite now at the State level to tackle the Retirement System, which would probably help Town. He said he also thought there would be a change in focus away from the more stringent environmental initiatives that had been underway, which the Town had been predicting would have significant cost implications. He provided details on this.

Administrator Selig said that in terms of the Budget proposal, he believe that the Town ran a tight ship, and did more than it had any right to do with the resources that were available,. He said Durham was a town with an extremely high expectation of the services that would be provided. He said Town staff met and even exceeded those expectations most of the time.

He said he didn't have a clear prediction on what would happen regarding the tax base. He said the local and national economy had stabilized, and said they had started to see minimal improvements, but he said they would be slow to take hold.

Administrator Selig said that in terms of the tax base, a question was the valuation assigned to large multiunit properties in Town. He noted the work on abatement appeals that continued. He said the Assessor was confident that the work done in 2008 as part of the valuation was accurate, but he said the outcome was unclear. He said if the Town didn't prevail, this could negatively impact the tax base.

But he said that on the positive side, there was the new tax base coming on line from the Bryant development, the Crape project, Ton Christie's building, and other significant construction projects in the pipeline. He noted that if the Capstone development came on line, this would result in a 2% increase in the tax base. He said if the Budget was approved and included the bonding he proposed for roads, the idea was that this would allow some time for these larger development projects that would increase the tax base to come on line

He said there were places to cut, , but said he wouldn't recommend this. He said he didn't believe that residents would be satisfied, or that Durham could accomplish what it should as a community. And he said the Town would wind up spending more in the long run.

Councilor Gooze noted that the proposed Budget included \$3,000 for building inspection.

Administrator Selig said in 2010, there was a real outcry for additional zoning and code enforcement in the neighborhoods. He said the Town had increased enforcement, and the additional cost for a part time employee was around \$2,000. He also said some money was allocated for reviewing developments, which hadn't been in the Budget, because of the concern that timely inspections couldn't be done with just one person.

He said a question was whether they wanted to build a Budget around what might happen in terms of development, which would bring additional revenue but would also mean additional costs. He said these costs could be caught in the contingency fund. He said the current Budget provided a minimum amount to cover such costs.

Councilor Mower asked about the additional \$155,000 in the Budget for the Morgan Way project.

Administrator Selig explained that now that the project had actually been designed, the Town was budgeting for an additional appropriation to cover the full cost, which would be reimbursed by the State.

Councilor Mower noted the line item in the Budget to support mobile data terminals, and Administrator Selig said the data terminal was a streamlining approach. He provided details on this, and said having the terminals would allow police officers to fill out forms on site, and so would allow multitasking.

There was brief discussion on the figures for the parking fund.

Councilor Sievert asked for more details on the increased cost for the Morgan Way project.

DPW Director Mike Lynch explained that the State had provided basic numbers to begin with, based on the thought that the work would involve a limited amount of construction. He said there had also been discussion about doing some of the engineering, such as traffic counts, etc. in house,. But he said the State later decided that the various environmental and historical considerations required 3 times more studies than had been anticipated. He said it was also determined that four rather than one utility poles would have to be replaced with underground wiring because of the location. He said both the design as well as the construction costs had grown because of the complexity of the project. But he said all of it was covered by the agreement with the State.

Administrator Selig noted that although the Town expected to get reimbursed, there was ultimately no guarantee, and said this had been clear last year.

Councilor Sievert said the Council hadn't been clear about this increase, and about the State Budget deficit. He asked if they should still stay with the project.

Administrator Selig said the Council had to decide on this.

Councilor Sievert said his concern was the projections in the CIP. He agreed that there was hardly anything to cut because the Town ran lean. But he said they were now going to pay for not cutting more from previous Budgets. He said maybe they had done the right thing based on the economy, but said perhaps they should have done a 3% increase each year all along. He said a question was whether bonding now would make things worse in the future. He also noted that last year, there had been discussion on the Fire Department changing its way of funding things. He asked if that would be discussed this year.

Administrator Selig said for the last two years, tax rate increases had been curtailed. He said this had been a good decision. He said road projects had been put off, and said he didn't believe that this had cost the Town more as a result. But he said the roads in the pipeline were much worse now than they previously had been. He said if an investment wasn't made in them now, the Town would pay more.

He said a strategic decision was made to bond the Roads Program so a projected 9% increase in the tax rate could be brought down to a 2.7% increase. He provided details on the numbers involved, and said the interest that would be paid over the life of the bond was about \$80,000. He said the economy hadn't recovered as much as would have been hoped, and this would give the Town some time.

Councilor Clark said it seemed that health and dental costs for the Police Department had gone down, but they had gone up dramatically for the Fire Department.

Ms. Jablonski said this was because most of the new police officers were single, while the families of some Fire Department employees were having babies. There was discussion.

Administrator Selig noted that there had been a projected 15% increase for health insurance, but it came in at 16%. He also provided details on the fact that the Town would be going back to the Local Government Center for property liability coverage, in an effort to be as lean as possible. He said it was still competitive to get workers comp coverage through Primex.

Councilor Mower asked Administrator Selig what came to mind, if he were to add one thing back or remove one thing from the Budget.

Administrator Selig said one thing he would like to add back was to pay cash for the Roads Program. But he noted that in 2002 the program was bonded, and the Town returned to paying cash for it within 2 years. He said his strong sense now was that residents were struggling, so in this situation, it was prudent to bond in order to keep the tax rate down.

Councilor Mower noted that the bond could be paid off in a few years if the tax base increased.

Administrator Selig said he wasn't sure what else he would choose to take out of the Budget right now.

Councilor Niman noted that the Town had missed the June 30th deadline for property tax abatements two years in row. He said he had therefore thought he would see more money in the Budget for assessing services. He asked if they would be late again next year, and if every department but the Assessing department would be providing good service to residents.

Administrator Selig explained that to date, less had been spent for 2 day per week of assessing services than had been budgeted for. He said by keeping the number at \$43,000 now, it was believed they could get a third day of services. But he said even then, it would be a struggle. He said the Town would make every effort to meet the deadline for property tax abatement, but he also noted that there was more to be done than that in the Assessing department, such as reviewing the current use program, and beginning a cyclical inspection program. He said the department could also use additional customer service, but said the Town couldn't do everything it would like to do.

Councilor Niman noted that the Parks and Recreation Committee had requested a full time Director, and asked Administrator Selig to share his reasoning for not funding this.

Administrator Selig said by bringing on a part time Recreation director, the Town had been incredibly successful in getting a fledgling program off the ground, and a

tremendous amount of good will had been generated. He said he agreed with the committee that a full time Director was warranted, but said he didn't feel it was warranted this year. He said having the part time position would provide a second year to more fully develop the program, and he provided details on this.

Councilor Sievert said he was hoping the position could be funded, because there was a great program. He also noted the proposal to bring on a part time economic development position.

Councilor Mower noted that Mr. Mengers' letter referred to programs having attracted a certain number of paying participants. She said it would be useful to know if these were unique participants or repeating participants, in terms of understanding the appeal of the recreation programs to the broader community. There was discussion, and Councilor Mower said data on this would be helpful for planning purposes.

There was discussion on whether increasing the hours of the Parks and Recreation Director would pay for itself in terms of revenues generated. Administrator Selig said he didn't believe revenues would ever offset the cost of the Director's salary, but said the Town should be able to break even in terms of programming.

Councilor Mower spoke about the importance of being aware of the opportunity costs of using the courthouse building for the Parks and Recreation Department.

Chair Carroll said many people would like to see a full time Parks and Recreation person. She asked if the position could perhaps be for 25 or 28 hours per week, and said the additional amount of money for these additional hours could possibly provide a big benefit to the Town.

Administrator Selig said it would be problematic to add hours on to the part time person that had been chosen, and said 20 hours was a fair number.

Councilor Sievert questioned Councilor Mower about her comment about opportunity costs, and Councilor Mower said it was important to recognize the full cost of the choices the Town made. She noted that the town had considered renting out the courthouse building.

Councilor Sievert noted the current new commercial spaces downtown that were unoccupied, and questioned the idea of renting out the old courthouse building.

Councilor Mower provided further details on her thoughts on the opportunity costs of having the Parks and Recreation department use the courthouse building.

Administrator Selig said the Town had looked at possible uses for the building, but said a problem was that there was very little parking available there. He said accessibility and the layout was also an issue. He cautioned about becoming too intent about the idea of renting out the courthouse as commercial space. There was discussion that the building didn't meet various codes.

Concerning the economic development position that was proposed, Administrator Selig asked Mr. Campbell to discuss this with the Council.

Mr. Campbell said the Economic Development Committee had a lot of things underway, and a lot of things planned. He also said he already had too many other things to do, and said a lot of the economic development work was being done by EDC members. He said he was concerned about possible burnout.

He said if a person was hired, that person could be the staff for the EDC, and could also look for grant opportunities, work that he didn't have time for. He said grants could bring in additional revenue, which could offset some costs. He also noted that there were a lot of planning initiatives underway, such as the inclusionary zoning analysis, the Master Plan update, and the market analysis, and said it was hard for him to concentrate on some of these things right now.

Mr. Campbell said it was very important to focus on economic development of the Town, and to move things forward much more quickly than he possibly could.

Administrator Selig said the EDC was very interested in bringing someone on. He noted that for many years, he had been very reluctant to support such a position, for a variety of reasons. He said there was the question of whether the Town could afford this, but beyond that, there was the question of whether there was sufficient developable land in Durham to warrant having someone out there beating the bushes. He said there had also been concern about high the demand for development would be, given the Zoning Ordinance, as well as about the economic climate.

He said it wasn't clear to him whether this coming year, there should be a part time person, or if perhaps certain functions could be contracted out to leverage the efforts of Town staff and the EDC. He noted that Mr. Campbell was the director of both planning and economic development, which created real challenges. He said Mr. Campbell did well with this, but said he had a lot on his plate.

Administrator Selig said the EDC was focusing on a lot of excellent initiatives right now, and said there was also a pent up demand for student housing developments. He said the Town was fortunate that the process of reviewing the Capstone project was underway. But he said there was a lot of aging student housing downtown, and a need for reinvestment there. He also said there was a lot of development interest in Town, and a very mobilized EDC. In addition, he said the Planning Board was thoughtfully reviewing applications and also bringing a lot of common sense to these efforts.

Administrator Selig said it was therefore a good time to fund this position. He said the work this person would actually do had not been fully defined, and said this would normally lead him to believe it was premature to put the position in the Budget. But he said he wanted to poise the community so that once the results of the market study were in, if it made sense to bring someone on, this would be possible.

He said EDC members had circulated a job description of sorts that included a list of tasks, and he provided details on this. He said he thought it would make sense to contract

someone like Stuart Arnette, who could serve as a matchmaker between the Town and businesses, and really go out and create relationships, working with the available pieces of land.

Administrator Selig noted that the position would be charged to the UDAG fund, so there would be no direct impact on the tax base today. He also noted that he would be comfortable not spending this money until it made sense to do so.

Councilor Gooze asked if this would involve business recruitment efforts in order to fill the commercial spaces that already existed, or if it was intended in a more general way to get development to happen.

Councilor Clark said the idea would be to do both. He said the Durham was at a crossroads, where they were seeing major student housing all over Town and a lot downtown. He said if the Capstone development happened, the supply/demand gap would narrow, which would then lead to increased vacancy rates for older rentals.

He spoke about the importance of focusing on the Central Business district transitioning away from student housing and having a true commercial district downtown. He also spoke about the importance of getting some new anchor employers so there was another reason to move to Town other than the University.

He said there was unlimited potential downtown because of such relatively sparse development there, and said if they could get some redevelopment there at a sensible density level, this could expand out logically to Mill Plaza, Church Hill, Gasoline Alley, Coes Corner, and Jackson's Landing. But he said they first needed to get the CBD on track, or nothing would happen.

Administrator Selig said he totally agreed, and said he didn't want to wait until the properties downtown were in decline.

Councilor Clark said the Town needed someone to champion this effort and get funding for it. He said issues like making the downtown pedestrian and bike friendly needed to be attacked, and said this would require a plan and a funding solution. He said he assumed that an economic development person would do the leg work to create a TIF district in order to fund infrastructure improvements downtown.

Councilor Mower asked to whom this person would report.

Administrator Selig said this would need to be fleshed out, and said they would also need to figure out the work this person would do, whether it would be a part time in house or contracted position, and who the person would report to.

Councilor Mower asked whether if someone was hired, this would mean Mr. Campbell would become purely the planning director. She also said her vote on the position might depend on the answers to the various questions Administrator Selig had listed.

Administrator Selig said he envisioned that Mr. Campbell would continue to do what he did, and that the additional person would have a limited list of tasks to do. He said he would want to see the market analysis before making a decision, and said it might inform exactly the work they would want this person to do.

Chair Carroll said she thought it would be a pragmatic idea to invest in this person, but said if they went forward with this and at the end of the year nothing had changed in terms of increased revenues, this should be reviewed. She said she didn't mean to sound hard hearted, but said she would want to see some improvements.

Councilor Clark agreed, and said he also agreed with Administrator Selig. He also said there needed to be tangible goals. He said they all knew that if they could go back in time, and even looked at the data today, it would show that the most long lasting businesses in Town were those that catered to residents and not students. He said the Town didn't have anybody right now whose focus was on creating that kind of clarity, and changing perceptions, in order to attract the kind of business they all wanted.

Chair Carroll said she absolutely agreed, and said someone coming in would have to know some of what residents wanted, which was businesses for residents, and that these businesses would last if they were the right match for residents.

Councilor Gooze said he wanted a movie theater back, and a hardware store.

Administrator Selig spoke in detail about the fact that economic development in Durham would occur over a period of years. He said the proposed Budget placed a lot of emphasis on the downtown, with the economic development position, automated kiosks, and funding for upgrades to the Pettee Brook Road corridor. He spoke in some detail on this, making use of a drawing of the changes to the streetscape that was planned. He said this design and construction would mean that the entire downtown core streetscape would match.

He said these would be mid term economic development and transportation solutions, and said he would like to see additional streets added to the street network later. He also noted that with the library proposal, a site had been selected that would be supportive of downtown development.

Councilor Mower said she was impressed with Councilor Clark's vision of a transition of the downtown and beyond. She noted that she was on the Master Plan Advisory committee, and said as part of this effort, a survey would be sent out to residents. She said she had been going through older surveys, and said there were many common themes, many of which had to do with the downtown, and what people would like to see there.

She said similar themes had come up during the work of the Mill Plaza Study committee. She said they were are on the same page in terms of wanting things for residents, and said maybe an economic development person could break through the log jam on this. She also noted that the Durham Business Association would like to see more policing downtown rather than an economic development person, in order to improve the experience downtown for residents

There was discussion about what was meant by more policing.

Administrator Selig said his sense was that the downturn in the economy had made it very difficult for downtown businesses, so they were looking at the Budget process from a conservative perspective. He suggested that the DBA should be asked to provide more detail on their comment about the need for more policing. He noted that the downtown core received much more policing than any other part of Town.

Councilor Niman asked Administrator Selig if the money for the economic development position would be taken out of UDAG because of tough economic times, and if the position continued to be justified, they would stop raiding that fund and put this in the General Fund budget.

Administrator Selig said for the next 2-3 years, if the need was there, it would be appropriate to fund the position through the UDAG fund. He also said he didn't see the need to retain an economic development person over the longer term. He said he would like to get a certain mass of projects underway and then see what the landscape was at that point.

Councilor Niman determined that Administrator Selig anticipated spending about half of the UDAG fund.

Councilor Niman asked if the idea was to pay for the two way streets ideas, and side streets, with a TIF district.

Administrator Selig said yes, and said this wouldn't be a high cost endeavor because the Town already had the template from the Stone Quarry Drive TIF.

He said he might develop the documentation himself over the next few months, or might give a rough draft of it to the EDC, which could flesh out the details. He provided details on how a TIF district could help develop a revenue stream to pay for infrastructure improvements.

Councilor Sievert asked if money might be available from the parking fund that developers had to pay into when they created developments downtown that had reduced parking than what the Ordinance required.

Ms. Jablonski provided details on the current amount in that fund, and said it was expected to grow because of recent and future developments downtown.

Administrator Selig noted that there was a general parking fund that would be paying for the new parking meters.

Councilor Sievert asked if money from the parking fund he had referred to could be put toward a parking garage, and Administrator Selig said yes.

Councilor Clark said at the risk of creating a revisionist history, he said a quick decision had once been made to go to one way traffic downtown. He said the drawing of the Pettee

Brook Lane streetscape was great, but he spoke about the fluid nature of what might be happening in that area.

Administrator Selig said the money put into economic development now, as reflected in the proposed Budget, would help create an environment where economic development could occur.

Councilor Mower said the upcoming EDC meeting would be hosting economic development directors from nearby towns, and could provide some idea on the kinds of things the economic development position could achieve

Councilor Niman said he would be very uncomfortable if it was up to the EDC to hire someone, but said he trusted Administrator Selig, and said if he was going to come up with a plan to spend this money well and was looking for a return on it, he was inclined to support this funding.

Administrator Selig that is what he planned to do. He said the money would be in the Planning budget, not the EDC budget, and said this would be a professional position that was managed by a professional.

Councilor Sievert said having this position was a good compromise, if the full time Parks and Recreation Director position could not be funded.

Chair Carroll said it sounded like there was some consensus on this Budget item, and said they would see how it id over the next few weeks.

There was discussion on the Pettee Brook Lane illustrations.

Councilor Mower said she shared Councilor Clark's concern about putting too much into this areas without knowing more about what the next development phase might be.

Administrator Selig said if the Town did this work on Pettee Brook Lane, more people were likely to come downtown because it would be more inviting, and traffic would be slower. He said it would make the businesses downtown more viable.

Councilor Sievert noted that with this design, there could still be two way traffic put in.

Councilor Mower asked the department heads if there was something they would like the Council to think most carefully about concerning a particular program item, and whether there might be some jeopardy to the Town in taking it out.

Mr. Lynch said the Town's transportation system was vital, and said the funding proposed now got things back to where we should be. He noted that the price of asphalt didn't come back down, as energy prices went down. There was discussion on the possible reason for this.

Fire Chief Landry said he was comfortable with the budget, although he said an additional part time administrative assistant was needed.

Councilor Mower asked if not having this additional person impeded the ability of the Fire Department to function.

Chief Landry said it was starting to, in terms of scheduling inspections, and other day to day things. He said \$5,000 was put in the proposed Budget to get help with the files, but said it would be good to have another \$20,000.

Mr. Madden said he was relatively happy with the Library budget. He said one thing missing was another 15 hours per week, not to hire another person, but to give existing employees. He said demand continued to increase, and noted that since 2006, there had been a 50% increase in usage of the Library.

Councilor Gooze asked if with more staffing hours now, there would be more paying programs to defray costs.

Mr. Madden said the additional staffing would be to provide adequate service. He said right now, there was no one covering the desk if an employee needed to leave that area to help someone.

Administrator Selig said those additional hours were certainly warranted.

Mr. Vincent said most critical part in this year's MIS budget was replacement of aging computer equipment at the Police Department and the DPW. He provided details on this.

Administrator Selig noted current limitations in interconnectivity between Town buildings, and also spoke about the related issue of not knowing where some Town departments would be located in the future.

Mr. Campbell said he had put some money in the Budget for an economic development web page, which was then cut back.

Councilor Mower suggested that a query could be put out to the community in the Friday Update to see if someone might want to volunteer to do this work. It was agreed that this would be done.

VI. Adjournment

Councilor Niman MOVED to adjourn the meeting. Councilor Sievert SECONDED the motion, and it PASSED unanimously 6-0.

Adjournment at 10:07 pm

Victoria Parmele, Minute taker