

**D-R-A-F-T**

**Durham Town Council Minutes  
Monday November 14, 2011  
Durham Town Hall - Council Chambers  
7:00P.M.**

**MEMBERS PRESENT:** Council Chair Diana Carroll; Council Chair Pro Jay Gooze;  
Councilor Neil Niman; Councilor Julian Smith; Councilor Peter Stanhope; Councilor Robin Mower; Councilor Bill Cote;  
Councilor Jim Lawson; Councilor Kitty Marple

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Town Administrator Todd Selig; Police Chief Dave Kurz; Fire Chief Corey Landry; Business Manager Gail Jablonski

**I. Call to Order**

Chair Carroll called the meeting to order at 7:01 pm.

**II. Approval of Agenda**

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

**III. Shall the Town Council authorize the Town Administrator to sign the second-half 2011 Property Tax Warrant?**

*Councilor Mower MOVED that the Durham Town Council does hereby authorize the Town Administrator to sign the second-half of the 2011 Property Tax Warrant, directing the Tax Collector to collect property taxes in the amount of \$12,970,208. Councilor Marple SECONDED the motion.*

Councilor Stanhope said he would vote no on this motion, because he believed the interest rate being charged, at 12%, was usury.

Administrator Selig said others felt that way as well, but said it was State law that this was the rate that would be charged.

Chair Carroll thanked Councilor Stanhope for his words, and said many people would agree with him on this.

*The motion PASSED 7-2, with Councilor Stanhope and Councilor Niman voting against it.*

**IV. PUBLIC HEARING on the Administrator's proposed FY 2012 Operating, Capital, and Special Fund Budgets**

***Councilor Smith MOVED to open the Public Hearing. Councilor Gooze SECONDED the motion, and it PASSED unanimously 9-0.***

Administrator Selig provided a thorough overview of the proposed 2012 Budget, for those who hadn't seen the Council meeting the previous week. (Please see the November 7<sup>th</sup> Town Council meeting for these details.) He noted that department heads were present except for DPW Director Mike Lynch, whose father had passed away that day.

**Sarah Wilson, Cold Spring Road**, said she was there to speak about two items in the Budget. She said the first was related to the fact that flooding kept occurring on Bennett Road and Cold Spring Road when there were significant storm events. She said at those times, she and her family as well as others in the area were trapped. She noted that one of two ways out was crossing the train track and hiking through the woods.

She said the flooding had happened so much in recent years that the bus company assumed that residents of the area would cross the trestle to meet the bus on the other side of the river. But she said and her family did not use this route because it was unsafe and illegal. She said she supported any plan or study that could bring the area closer to not being flooded anymore, and said this was long overdue. She said the flooding would otherwise be happening more than every 100 years. She said she hoped this item would be kept in the Budget.

Ms. Wilson said she was also there as a past Chair of the Parks and Recreation Committee, and said she was still a member of that committee. She noted that the committee had previously asked that the Parks and Recreation Director position be filled. She said both of the directors who had subsequently been hired had had a positive impact on the Town, and said the Recreation department had now grown much larger.

She noted that last year, the committee had asked that the position be increased by 10 hours because 20 hours wasn't enough. She said Ms. Devins was doing a wonderful job, but said things were at the point where she and the committee had started saying no to what was being asked of them. She said the Parks and Recreation committee/department had the most hits on the Town website, and said they were making the community more desirable. She said the Town's recreation programs were a big part of its salability, and she asked that the requested increase in hours for 2012 stay in the Budget.

**Diane Moore, Chair of the Parks and Recreation Committee**, said she echoed what Ms. Wilson had said. She said the Director's time was maxed out, which meant that she and the committee were unable to enhance current events and programs, add new programs, or collaborate with surrounding towns. She said there were several indicators from the Master Plan survey that indicated support for what was being requested, and she provided details on this.

She said a sense of community was rated highly in terms of what made Durham a town people wanted to live in, and said the department supported this attribute by hosting a variety of

activities that brought residents together throughout the year. She said another attribute rated highly in the survey was access to outdoor recreational opportunities, and said the department supported this as well.

Ms. Moore said survey respondents also supported the need for a recreational center for people of all ages, more outdoor events, expanded parking at Wagon Hill Farm, and better athletic fields. She said increasing the position by 10 hours would allow the Parks and Recreation Director to focus on these things, stating that it was difficult to focus on infrastructure improvements with only 20 hours a week.

She said the survey also indicated that residents were supportive of the Town hosting more events and festivals, as well as providing a performing arts center in or around downtown, which the department would play a direct role in. She said if the Town was looking to attract new people and businesses to Durham, as well as keep the people and businesses that were currently there, the more that could be done to offer support for and enhance recreation hobbies and the Town's natural park like scenery, the more desirable Durham would be to everyone. She said she hoped the Council would support this increase in hours.

**Karl Van Asselt, 17 Fairchild Drive**, noted that he'd come before the Council a number of times this year, and said he was following up on that now to say that Durham residents were not immune to the current state of the economy. He said this wasn't a time for an increase in Town taxes, and said there were ways to do the 2012 Budget in way that didn't increase them. He said he was also concerned about the longer range implications of the proposed Budget on property taxes.

He first noted that there was nothing illegal about the way the Budget had been put together. He also said he was Administrator Selig's biggest supporter, but said he didn't like the way some of the numbers in the Budget were put together. He said there was the \$300,000 shortfall due to tax abatements which was being added to the 2011 expenses, and therefore to taxes. He said as Councilor Niman had pointed out, when a new base was set and that was put on the taxes, then the increase for subsequent years was small, and didn't sound as bad.

He also said on top of that there would be another increase for 2012, so they were talking about a 4-6% increase, depending on what happened with the proposed 2012 Budget. He said Administrator Selig was also budgeting \$150,000 in UDAG funds for 2012. He spoke further on the numbers, and said he didn't think this was the way to work them. He said in the end, they were talking about considerably more than a few percentage points of increase over the next few years.

Mr. Van Asselt said regarding the decision to bond road improvements, bonding took off the table a fair discussion on how much to spend on roads. He said the Town would still have to pay for this, and said everyone had to make some choices and live within the economic means they had. He said as tough as it might be in some areas, he thought the Council had to do the same thing this year. He said they were approving a bill for residents to pay, and said he believed a 0% Budget increase made more sense.

He said it was wrong to say there was going to be a tax increase of only 2-3%. He said when a person's income increases at 0%, and inflation increased at 3%, that meant the increase was 5%. He said it had become commonplace to say the increase would only cost a bagel a day, and said it was stupid. He said he'd already given up his bagel a day, and said that wasn't the way to talk about a budget.

Mr. Van Asselt said he also found it distasteful and irresponsible to hear comments that if someone didn't like the tax increase and couldn't afford it, perhaps the person should move. He said he didn't think that was the best way to build a community that people wanted to live in. He said he felt strongly about this, and said he thought spending money that many people in Durham couldn't afford to pay had to be thought through as the Council looked through the Budget. He said Administrator Selig was capable of helping the Council come up with another way to do it.

**Paul Schlie, 16 Foss Farm Road**, said he believed adamantly that the basic premise of basing public taxes in NH on the property base was the premise of being able to fairly tax the citizenry based on a percentage of their respective wealth, with houses being fairly representative of this. He said when a Town, etc. increased the actual rate of taxation on the property, it was saying it wanted to control a greater percentage, incrementally, of a person's wealth.

He said the Council had no right to do this. He said its responsibility was to determine the fairest, equitable and prudent way to spend the monies available to it based on the wealth of the community. He said if a Town's wealth increased, it should have access to that greater incremental percentage. He said the Town Council should not claim a greater percentage of the community's wealth, and said this represented an inability to do the town's business. He said for the Council to claim an interest in sustainability but not to be able to manage its own budget and live within its means was irresponsible.

Mr. Schlee noted that he had forwarded to the Council a summary of the Town budgets from 2005 to 2012, and said there had been increase of 32%. He said on paper, the value of the Town's property had grown 15%, but said he suspected it was less than this because properties had devalued since 2005, when things were near their peak. He said they had demanded from taxpayers twice what the valuation rate was, and said this was unjustifiable.

He said if the Council didn't know how to manage its budget, and pay for improvements and the staff required to run the Town, it needed to go back and figure out how to do this. He said increasing budgets and passing the buck was wrong. He said the cost of the Fire Department had grown by 43.1% in six years. He said this was unreasonable and indicated a mismanaged administration. He said departments where things were more within reason were the Police Department and the DPW, noting that the sanitation division had reduced its costs by 5%. But he said both of those departments as well could use further trimming.

Mr. Schlee said there were also now the capital funds to consider, with the new library and Fire Department buildings that were proposed. He said no department heads had had to make the hard decisions, and said it was the responsibility of the Town Council to be responsible. He also said it was the responsibility of the citizens to hold the Council responsible.

**Will Ouellette, Dame Road**, said he wanted to discuss the micro view of things. He said he'd been horrified to read the November 2<sup>nd</sup> article in Fosters that included the DPW department's budget items for 2012, including a sidewalk snow tractor, a dump truck, and a roadway sweeper. He spoke in detail about the numbers that were quoted, and also about the numbers for these items in the CIP as of 2010, and asked which numbers were correct. He also said he would like to see the specifications for these vehicles. He said the State provided a general number on what this equipment cost, and said the Town should be shopping for bids. He said in this economy, the Town could drive a better bargain than what had been budgeted for.

**Maggie Moore, Lee Road/Route 155**, noted page 22 of the CIP, which listed Technology Drive improvements. She asked for details on the history of this CIP project proposal, in terms of who initiated it and how it was included in the CIP.

Administrator Selig said this project had been in the CIP for 8-10 years, and said the specific plan involved had been modified over that time period. He said in essence the project was intended to open up the area beyond Goss International for future development, and said they tended to place it toward the end of the CIP time frame. He said this project would not be done unless there was a private developer who wished to partner with the Town financially, etc.

He said there was not an overt intent to spend the funds listed in the CIP unless there was such a partner, and said it was listed there for marketing purposes, to show a company that the Town had been planning to move forward with the infrastructure extension in that part of Town. He said the idea was suggested many years ago by the then economic development committee.

Councilor Lawson said the Master Plan had discussed this idea as well. He said he agreed with Administrator Selig's description, and said it was more of a placeholder in case something happened in the future.

Councilor Gooze said at the most recent Planning Board meeting, there was discussion on the possibility of a rezoning some residentially zoned land out there to ORLI, and the Board decided not to move forward concerning it. He said the Council needed to revisit what it was talking about in the CIP concerning this area.

Councilor Smith said there were implications of what was stated on page 22 of the CIP. He said there were some assumptions there that triggered other changes, and said he hoped the Council would come back to this issue during deliberations on the Budget and CIP.

**Joe Moore, Lee Road/Route 155**, said he would like to continue the discussion on the Technology Drive project. He said the Town was looking to spend \$2 million plus for a project that didn't have anything definitive to it. He suggested that this was an opportune time to look at Technology Drive issues. He said it was a road that currently went around the Goss property, and not even completely. He also noted that it went through a swamp, and said he wondered if preliminary site work for the project had been done, and if the projected cost in the CIP for the project was accurate.

Mr. Moore also said the issue of expanding business development in the ORLI district, as well as expanded the district itself had been debated. He said it would be prudent to do some work on the properties accessed from Beech Hill Road, and to get some definite information for a prospective buyer, noting again that there were site issues out there. He also asked that before this item was put in the Budget, there needed to be a lot more clarity in terms of what the Town intended to do with it.

Administrator Selig said Mr. Moore was correct that there had been lengthy conversation about the zoning out there. He said an early part of discussion had been to convert Beech Hill Road from a Class VI to Class V road, but this idea was modified. He said in response to a rezoning proposal a few years ago for that area, the Planning Board chose not to move forward, as had been recommended in the Master Plan with making a portion of the Beech Hill area ORLI. He said the Council's conversation at that time was that there wasn't development pressure, and that the idea would be revisited at some point.

He said Mr. Cutter, a property owner in that area, had recently requested this rezoning, but said the Planning Board wasn't open to doing that. He said earlier discussion with the Economic Development Committee was that a road such as this would open up the area for economic development purposes. He said the pricing in the CIP had been developed using a square footage formula, and said the project had not been engineered. He said if a company came forward, the Town would get that company to expend the funds for this.

Mr. Moore said there may have been a caveat that the Zoning change could be revisited, but said the issues brought up at the public hearing a few years ago by neighbors neighboring towns, and various commissions overwhelmingly said this wasn't an ORLI district. He said he therefore didn't necessarily agree with the caveat issue.

He also said a little money spent proactively could avoid this thing coming back and forth. He said if the Town instead waited and asked a developer to do the site work and pay for this, there wouldn't necessarily be an unbiased opinion. He said this could also lead to some bad decisions because everyone wanted things done in a hurry. He asked the Council to consider somehow budgeting some funds in order to get some basic information, so the Town would know what it was talking about when someone came forward wanting to develop out there.

In reference to comments made by Mr. Ouelette about proposed equipment purchases, Administrator Selig said in 2011, \$69,000 had been budgeted for the snow tractor. He said the hope at the time was to find a used tractor, but said the DPW tried but ultimately failed to find one. He said this additional request now was to be combined with last year's request so a new snow tractor could be purchased. He also said the dump truck cost reflected updated pricing from the DPW.

Mr. Ouelette said he would like to see the specifications on all of the equipment the departments wanted to purchase.

**Bonnie McDermott, 82 Dover Road**, said as a Town employee, she had received no pay increase in 2009, 2010, and 2011, and would receive none in 2012. She said her insurance and

taxes had meanwhile gone up. She said a lot of people would like to see a 0% increase in the Budget, but said she would like to see the Budget decrease because people had to live within their means. She asked why the sidewalks were proposed to be redone, and said she thought the Budget should be looked at more carefully.

**Kathy Leach, Fairchild Drive**, said she echoed much of what had been said. She said she'd been consistent in asking the Council to be fiscally responsible and keep the Budget as close to a 0% increase as possible. She said some things proposed in the 2012 Budget, were worthwhile, but said there were some big ticket items that should be discussed. She said this was the year to consider whether there was any way to hold off on some things, and she encouraged the Council to do that.

Ms. Leach said she agreed that \$450,000 for the Road Program was too high, especially for this year, and said bonding the program would eventually come back on the Town. She said \$300,000 already had to be made up for 2011, and would appear in the December semi-annual tax bills. She said she wished there had been more discussion on that, and more questioning by the Council and residents about different ways to handle this. She said she wished the Council had voted on this as well.

Ms. Leach said that concerning the future, the Town couldn't afford the future projects listed in the fiscal forecast. She said the forecasted increases in costs were staggering, and she asked the Council to start to address this and to guide the community and staff in making decisions on what to move forward with, and which projects not to move forward with right now.

**Nate Trauntvein, 15 Griffiths Drive**, said he supported the Budget proposal that the Parks and Recreation director get an additional 10 hours per week. He said a reason he and his wife had decided that they wanted to live in Durham was hearing about the Parks and Recreation department and its work in the video that Administrator Selig had made.

***Councilor Smith MOVED to close the Public Hearing. Councilor Cote SECONDED the motion, and it PASSED unanimously 9-0.***

The Council stood in recess from 8:00-8:09 pm.

**V. Discussion and deliberation on the Administrator's proposed FY 2012 Operating, Capital, and Special Fund Budgets and the 2012-2021 Capital Improvement Plan**

Councilor Lawson thanked the Parks and Recreation Department and Parks and Recreation Committee for all the work they did, which really did impact the Town's quality of life. He noted that financial support for various programs was thin, and asked how important the pool voucher program was, and if the money spent on it could be used to provide services of more value to the community.

Parks and Recreation Director Sandra Devins said the UNH pool provided a great opportunity for Durham families, and said she would hate to think that this resource wasn't available.

Councilor Lawson asked whether, as a first come, first serve resource, the vouchers went to needy families.

Town Clerk Lorrie Pitt said it was in fact a first come, first serve resource. She said the vouchers had been given out for a number of years now, and said one year they ran out. But she said over the last couple of years, there had been 30-40 vouchers left over. She said she therefore didn't believe that people who needed them weren't getting them. She noted that seniors also got the vouchers. She said a number of families wouldn't go to the pool if they didn't have the voucher.

Councilor Niman said the voucher program guaranteed a certain level of revenue for the University, which absorbed the cost of operating the pool. He said it wasn't clear that without the commitment from the Town, the University would keep the pool open.

Administrator Selig said there was a formal agreement concerning between the Town and the University concerning the pool, and said as part of this, the voucher program was developed.

In answer to a question from Councilor Mower on the fact that there were 365 participants in recreation programs in Durham, Ms. Devins said the majority of this number reflected unique individuals.

Chair Carroll asked that the Council begin its discussion with the Fire Department.

Councilor Bill Cote asked a series of questions about the Fire Department budget.

- Page 65 - He asked for an explanation for what appeared to be some significant over-expenditures in some areas of the Fire Department budge. He noted that Travel and Mileage reimbursement expenditure nearly doubled what was budgeted for.

Ms. Jablonski explained that this and some others were simply accounting issues, and were accounted for elsewhere in the Budget document.

- Page 67 - Councilor Cote confirmed with Chief Landry that the building rent amount was under-expended because the balance due to the University hadn't been paid yet.
- Page 73 - overtime wages for Fire prevention, he asked if the numbers reflected an hourly position. Chief Landry said yes, but said it could be geared to other employees doing fire prevention activities. Administrator Selig said this would typically be bar checks, etc. on busy nights.
- Councilor Cote said he'd like to discussion on staff vehicles. He said he realized that the cost of gas has gone up, and that the department had appropriately budgeted for this. Asked if staff vehicles were taken home. Chief Landry said the policy was that if an employee had the car, he was available. He provided details on this.



Councilor Cote said citizens didn't want to think the Town was giving out gas for employees' personal use.

Chief Landry said he had run the numbers recently, and said there were high percentages that showed that employees came back a lot.

- Page 77 – Councilor Cote noted \$12,900 budgeted for training and only \$1,800 was spent. Chief Landry said it was cut out because of having to make up for the retirement costs. He said it was the only reason it was so low.
- Councilor Cote asked for an explanation for the Special events fund. Ms. Jablonski provided details on how this worked, when an outside agency paid to have a fire department or police department employee on duty. She said the net result because an administrative fee was charged was that there was revenue produced.

Councilor Lawson said it always seemed that the revenue side of the Budget for this matched the expenditure side, but said he thought the revenue side should be about 25% greater because of the administrative surcharge.

- Page 80 - regarding overtime wages for fire equipment maintenance. Councilor Cote asked how much effort was put into having the mechanic do this work when he was on duty rather than having to come back. Chief Landry said a lot of the work was done when the three mechanics were on duty. But he said they were really busy, and also said there were some things that couldn't be done during regular hours. He said he was impressed with how much they got done.

Councilor Cote asked if this was tracked, and Chief Landry said this and some other things did need to be tracked better, and said they would get better at this starting in January. He said the Fire Department hadn't been good at tracking itself in the past, and said the Police Department had done this right.

Councilor Mower asked if there had been further discussion with the DPW about the idea of working on fire department vehicles.

Chief Landry said the DPW had worked on the smaller fire department vehicles this year, but said this wasn't working out because of scheduling issues, and it wound up being the same cost of using the other company. He said the DPW had one person working on vehicles, and said he was swamped. He said the Fire Department outsourced this work, and shopped around.

Councilor Lawson said it could be seen that there was a significant increase in health insurance costs for the Fire Department over the past four years, and this was greater than for any other Town department. He asked if it was handled under a different insurance plan.

Administrator Selig said they were under the same plan.

Councilor Cote determined that there would be a 10% increase in health care costs rather than a 15% increase, and that this was reflected in the proposed Budget. He also determined from Administrator Selig that the formal rate setting wouldn't happen until March. He said he'd like to talk more about health insurance later.

Councilor Cote said every year, the Fire Department purchased radios to upgrade technology, etc. But he noted that \$7,000 was proposed for "two-way communications dispatch line maintenance".

Chief Landry said this was for a new maintenance contract with Two-Way in Newington, and he explained that the company would maintain the antenna systems as part of the contract. He noted that there had yet to be a storm when something didn't happen to this system, and it could cost a lot of money to fix it. He said this contract would cover that, so would save money. He said the system would also be checked a few times per year.

Ms. Jablonski noted that the Police Department's budget line had increased by that much as well.

Councilor Lawson asked who provided the Fire Department's contracted EMS training services.

Chief Landry said it was done by Gary Brock, who was a paramedic instructor out of Frisbee Memorial Hospital. He said he did re-certifications monthly, and said overtime for this had been cut significantly.

Councilor Lawson said he saw some places in the 2011 budget where expenditures had been anticipated but didn't happen, presumably because of the retirement money situation. He noted fire training and safety as an example of this. He asked if this was an opportunity to learn that training could be done differently, or if the Fire Department had suffered because the amount of training done was only half of what had been anticipated.

Chief Landry said the department didn't have a chance to do larger training events, where it could practice teamwork. He acknowledged that there were fewer training events overall this year, and said this would start to hurt the department if they continued to be put the training off.

Councilor Lawson spoke about the new tanker in the Budget for next year. He also noted that a lot of work had previously been done on one of the engines that went back to the factory. He also said there were some fairly new staff vehicles. He asked Chief Landry if he was confident that the new equipment that had come in and that would be coming in had been factored into the maintenance budget.

Chief Landry said the department had held the maintenance line for four years. He also said with the newer vehicles, maintenance was getting trickier in some ways, and he provided details on this. He said he was confident that this line hadn't been increased over the past several years, but said an analysis would be done on this process soon.

Councilor Gooze said there was also a question of whether the line could be decreased.

Councilor Gooze noted the line item on medical testing for Fire department employees, and asked if this was put out to bid. Chief Landry said they did it this year, and said it turned out that it cost less to stay with who they had, which was Exeter Hospital. He said they went to Exeter while they were on duty, so very little overtime was involved

Chair Carroll noted that for 2011, \$98,400 was set aside for that the capital reserve fund for the Fire Department, which was a savings account, which was a savings account that would enable the department to purchase equipment as needed without having to bond. She said \$40,000 was being recommended for this fund for 2012, and asked if this was sufficient to get the department where it wanted to be.

Chief Landry said some items had been put off for a year, and some things had been rearranged. He said the \$40,000 was being recommended just to get the department through this year.

Ms. Jablonski said there was currently \$45,000 left in the account. She said it was anticipated that there would be \$10,000-15,000 left from the fire account that would go into the capital reserve fund, and with the 2012 amount of \$40,000 budgeted for 2012, there would be enough money to do the \$900,000 turnout gear project.

Chief Landry said he hoped to get back to the \$150,000 figure to put in to the capital reserve account next year.

Administrator Selig noted Fire Department purchases that had been deferred for a year, including web based software and water rescue vehicles. He also said the University was having financial challenges, so it was problematic for them to come up with half of the \$150,000 amount for the capital reserve fund. He said in proposing a lesser amount right now, the cost sharing would be easier for both the Town and the University.

Councilor Gooze asked what the real odds were that the Town would spend the money proposed for a new fire station within the next few years.

Administrator Selig said a variety of sites for the new library had been looked at, and C lot was the preferred site. He noted that the University was currently going through a master plan update process, and said they wanted to complete it before finalizing what site was available for the new fire station. He said there was openness to using C lot.

He said he hoped the Town would be ready to go forward if federal funds became available, and said that meant that they would need to have a good deal of the engineering done in advance of this. He said the \$857,000 figure in the CIP for 2012 depended on whether the site was certain, and if the Town could afford that amount of money. He said right now, he wasn't holding his breath that there would be federal funds coming forward.

He said \$7.5 million was in the CIP for 2016, which would be two years prior to the lease being up. He also noted that UNH had said that if a federal grant came through for them, this would trigger wanting the Fire Department to vacate the present site.

Councilor Gooze said a number of things that were put in the CIP that weren't done because the money wasn't available.

Administrator Selig said the goal with the CIP was to do long term capital planning. He said it wasn't a perfect document, but said they were trying to understand what was in their collective future.

Chair Carroll noted that of the \$857,000 for predesign work planned for 2013, half of this would be paid for by the University.

Councilor Mower said she imagined that others were questioning whether a \$7.5 million fire station was needed. She noted the charrette process the Town had gone through concerning a possible new fire station, and said she wondered if there could be an independent evaluation as to whether that was the most appropriate station for Durham. She said it was a significant amount of money, and said few of the members of the Council were in a position to evaluate it, and whether there was another option that was less expensive but would be functionally adequate.

Councilor Lawson said the Town would have to go through that process. He said at some point the Town would need a new fire station. But he said only 15% of Durham's tax base was commercial. He said he didn't think they would find examples anywhere where 2000 families were investing almost \$4 million in a fire station. He said they owed it to the community to make sure this was something that had to be done at this level. He said it was this proposed expenditure in the CIP, which had gone from \$4 million up to almost \$8 million, which concerned him the most, along with the proposed wastewater treatment expenditure.

Councilor Smith noted that the planning cost also had to be factored in.

Councilor Marple asked if people had a sense of what the cost had been for Madbury's fire station.

Councilor Cote said it cost under \$1million. It was noted that it was a volunteer fire department, so a number of things, including staff offices, weren't needed.

Administrator Selig explained that Madbury benefited by being close to Durham, which provided strong mutual aid. He said the Fire Department had expressed its perspective about the fire station, but said he didn't feel they needed to get into more detail concerning the project until it was known what the site was. He said planning something hypothetically wasn't always the best use of time.

He said he envisioned that the design engineering phase would involve architect Lynn Rita speaking with the Council and residents about the floor plan, and having people challenging it. He said so far, they had just been fitting a generic floor plan, based on the stated needs of the department to various sites.

Councilor Mower suggested getting another set of professional eyes, stating there was a vested interest in the design they were starting out with.

Administrator Selig said this wasn't typically done, but said that was not to say that it couldn't be done.

Councilor Smith asked Administrator Selig if he'd considered challenging the University by saying Durham couldn't afford to pay for a new fire station, and would prefer to plan to make modest improvements to the existing site and fire station and stay there.

Administrator Selig noted that the Town had previously been paying 60% of the costs associated with the existing fire station, and had negotiated a 50/50 arrangement a few years ago. He said he thought the University should actually support more than 50% of these costs, but said 50/50 was as far as he'd gotten in that negotiation cycle.

He said he didn't think the University was desirous of moving the fire station to a new location, and said if the Town could continue to utilize the site and the University didn't have other plans for the site, they were fine with keeping things as they were. But he noted that right now, the Town was spending \$170,000 per year leasing a building that was insufficient for its needs. He said he would rather put that money toward a bond item for a building that met Durham's needs.

Councilor Smith noted that the Town would have to pay interest if the fire station project was bonded.

On another issue concerning the Fire Department, Administrator Selig said there were questions every year about overtime costs.

Councilor Mower said she understood that there was a policy in some fire departments that linked sick days with overtime eligibility.

Chief Landry said a standard rule was that if an employee was sick during a week, overtime wasn't allowed, unless a particular contract allowed this. He said Durham's contract did allow this. He said this issue had been looked at, and said there was sick time abuse by the Fire Department.

Councilor Cote said he'd been very interested in understanding the Fire Department's overtime situation, and said he saw no evidence of abuse of sick time and overtime. He said having really taken a look at this issue, he'd found that there was a culture in the Fire Department that discouraged this.

Councilors agreed it was important for the community to hear this.

Councilor Cote said he'd taken a great interest in this issue as well, and shared Councilor Lawson's perspective. He spoke about some abuses of overtime in some other towns.

Councilor Lawson said from a budgeting standpoint, department heads needed to factor contingencies into their overtime, in terms of injuries, maternity leave, etc. He said it would be worthwhile to create a centralized pool for these contingencies, and to get some efficiencies out of the pool as opposed to within the individual budgets. He provided details on this.

Councilor Cote asked Chief Landry how callbacks were managed, and Chief Landry spoke in detail on this. He said the numbers last year indicated that there were 87 callbacks, which indicated that they had been busier.

Chair Carroll next opened up the discussion to Councilors who would like to bring up particular issues.

Councilor Gooze said that regarding the library project, he was looking toward the goal of doing the bond, which was in the CIP. He asked Library Trustee Chair Doug Bencks to tell the Council where things stood with fundraising.

Mr. Bencks said the fundraising was progressing well, and said they were presently at \$770,000, with a goal of \$900,000. He said there had been a steady increase throughout the fall, and said the Trustees expected to reach the goal.

Councilor Gooze asked what happened if they hit the goal and went over it.

There was discussion that the wording for the bond could say it could be for up to \$2.7 million, to reflect the fact that if more than \$900,000 came in from fundraising, it could be put toward decreasing the amount that the Town would need to bond.

Councilor Gooze asked Mr. Bencks to speak about the energy aspects of the project. He noted that it was on the Library web page that a LEED type of certification would be achieved. He also said the ability to use solar panels would depend on the funding that was available for this.

Mr. Bencks said from the beginning, the Trustees had said they wanted to do all they could to make the project as energy efficient as possible. He said the building design was capable of including solar panels, but said the budget for the new library currently didn't include them. He said there had been discussions about fundraising for this, noting that one donor had offered to contribute \$5,000 toward the cost. He said there had also been discussion with Revolution Energy to see if there was a way to finance the solar panels. He said all of this was still being looked at, and said it would be a great example for others in the community if the panels were installed.

Councilor Mower noted again that the building design was capable of including solar panels, and said her understanding was that there would need to be a connection under the shingles as part of the structure of the roof in order to allow the solar panels to be installed. She asked if the capability would go that far.

Mr. Bencks said it would, and noted that those details concerning the design process were still down the road.

Councilor Mower asked if the cost of the solar panels would be pinned down before they went out to bond.

Mr. Bencks said the cost would be a little more than \$50,000 and said that amount wasn't incorporated now. He said once they reached the \$900,000 fundraising goal, they would welcome further donations after that.

Councilor Mower said making it an explicit option to donate funds for the solar panels would make this more likely to happen, and Mr. Bencks agreed.

Chair Carroll said as the design for the library moved forward, she thought residents would be interested in hearing details concerning energy efficiency, etc. She noted that this had been the case with the James Hall and the Portsmouth Library projects.

Mr. Bencks said it was realized that this would be important information to provide to residents.

Administrator Selig said that regarding the operational budget for the existing library, he said there would be an increase of only \$3 over the budget for 2011. He said that at the same time, there were some fixed costs that had gone up, and said this had been offset by reducing the Library's collections budget. He provided details on this, and said it concerned him.

Mr. Bencks said they had been able to refresh the collections with their annual appeals. He said it was felt that it was important to maintain the current operations budget.

Administrator Selig said the Library did a wonderful job with a modest location to provide for the needs of the community.

Administrator Selig said he'd received several emails from resident Paul Schlee, and said Ms. Jablonski had done some work on his analysis in order to provide additional information to the Council.

Ms. Jablonski said Mr. Schlee had compared the 2005 actual budget to the proposed 2012 budget. She said there was a \$2.8 million increase from 2005-2012. She said Mr. Schlee's notes showed where the increases came from. She said she did some calculations, and said the following: wages had increased by 18%; health and dental insurance had increased by 52%; and retirement costs had increased by over 100%.

She noted that with the last budget cycle, the State contribution to retirement had been withdrawn, which increased the Town portion. She said in 2005, the Town paid 9.68% toward police retirement, and in 2012, it would pay 19.95%. She said it paid 14.36% for fire department retirement in 2005, and would pay 22.89% in 2012. She noted that police and fire didn't pay into the social security system.

Ms. Jablonski reviewed other items that accounted for the \$2.8 million increase, including an

- increase to the Oyster River Youth Program
- increase to the pool rebate program
- the \$100,000 contingency fund for the Council
- \$150,000 from the UDAG fund for the 2012 Budget
- about \$40,000 for the Planning/Planning Board for zoning and master plan updates; etc.

- Property liability insurance increases
- Auditing increase
- Office equipment leases
- MIS software agreements; money to redo the web page; \$30,000 to get a backup contractor when Mr. Vincent wasn't available, and for special projects
- new building work for Fire Department
- Capital funds projects
- Fire department capital reserve fund
- Subsidy to the library

Ms. Jablonski said she could account for about \$2.7 million, and said about \$100,000 was for small miscellaneous increases. She said the major costs to the Town were for employee wages, health and dental benefits and retirement. She said health and dental went up 52% over that time period. She said there had been one effort to get insurance costs down since 2005, and said there would be another effort to accomplish this in 2012

Administrator Selig noted that the DPW had turned down two contracts, and the third contract wasn't ratified by the Council. He said that the DPW negotiating unit and the Police Department unit would be discussing options for health insurance programs as part of negotiating the new contracts.

Councilor Gooze said from what he had seen, he believed that the amount of the increase in the cost of health insurance was decreasing this year. He said it looked like the increase was 7% to 12%.

Councilor Gooze said he wanted to hear about the idea of a part time economic development person.

Administrator Selig said this was not in the proposed Budget. He said Mr. Campbell had recommended it, but said he (Administrator Selig) didn't think it made sense to move forward with this right now, so had not recommended it for the 2012 Budget. He said the \$30,000 that would not be used for this position had been moved over to the Council part of the Budget. He said it was combined with \$120,000 in UDAG funds, for a total of \$150,000.

Councilor Mower said that regarding the Wagon Hill parking item in the CIP for 2014, she would like to see data provided to the Council on the need for this, in terms of days, events, number of cars, etc., before a decision was made. She said the Conservation Commission had an interest in this property as well, noting that it was a great natural resource, and said they would like to see this data as well.

Administrator Selig said the need for that parking was identified years ago, but said because of a lack of funding, it had been deferred. There was discussion, with Councilor Mower saying she wasn't saying that the data needed to be obtained now, but should be obtained before moving forward with the project.



Councilor Smith said he would like to remove from the CIP the Technology Drive infrastructure improvements listed on page 22. He said this had been in the CIP for several years, and hadn't made much sense. He said it shouldn't be let back in until there had been some serious, detailed discussion about whether the Council wanted to do what was proposed here, and what other costs and benefits might grow out of this improvement.

***Councilor Smith MOVED to remove the CIP item on page 22, concerning Technology Drive infrastructure improvements. Councilor Mower SECONDED the motion.***

Councilor Smith said the rationale for this item in the CIP was that extending utilities there could help spur economic development. But he said unless there was an intent to extend Beech Hill Road over to where it was paved in Madbury, or west, this commercial development would be a dead end.

He said this should go back to the Planning Board for extensive discussion, especially in light of the fact that the area where the improvements were proposed was in ORLI, as everything south of Beech Hill Road was, and ORLI now permitted residences and duplexes. He said if water and sewer was extended there, the area would qualify to be Residence A, which had a 20,000 sf minimum lot size. He said there was no consideration of the possibility of more residential development.

Councilor Stanhope said he disagreed, and noted that Administrator Selig had said that the expenditure for Technology Drive wouldn't be made absent private investment. He said clearly, Durham continued to be faced with the critical issue of having a very limited tax base. He said he didn't understand the logic of taking out of the CIP something that was eight years out. He said absent someone coming forward with a project and the Town thinking it would be beneficial, it would be pushed further out. He said taking it out of the CIP seemed to be regressive thinking that would take away the possibility of doing something that would increase the tax base.

Councilor Smith said the possibility of a change to that area was always there, and said it didn't need to be in the CIP. He noted the Capstone project as an example of this, where the Planning Board had said the project would be great and made a Zoning change. He said having Technology Drive in the CIP like this amounted to an advertisement.

Councilor Gooze said he wasn't sure this was the time for this discussion, when there was the whole Budget for the Council to work through. He noted that the Planning Board had just gone through discussion on a proposal to rezone an area north of Beech Hill Road, which was a proposal that had previously been shot down by the public. He said he didn't believe that the Technology Drive project in the CIP referred to that area, and said he didn't think it mattered one way or the other. He spoke further, and said he didn't think it was necessary to remove the project from the CIP.

Councilor Smith asked if Councilors would be content if the Planning Board had a discussion on what would happen if water and sewer were extended up to the south side of Beech Hill Road, and whether this would put pressure on changing the north side of Beech Hill Road to ORLI.

Chair Carroll said this was an interesting but complicated conversation, and said she would need to do more research in order to be able to vote on the motion that had been made. But she said Councilor Smith had made his point.

Councilor Smith withdrew his motion, and Councilor Mower withdrew her second of the motion.

Councilor Marple asked if dog licenses were generating much in terms of revenues, and Ms. Pitt said this came to about \$1,000. Councilor Marple asked if consideration had been given to raising the price, and it was noted that the prices were established by the State.

Councilor Lawson noted that there had been a significant decrease in revenues from car registrations, and asked if this was unique to Durham. He also asked if there were potentially any enforcement issues.

Ms. Pitt said from January 1<sup>st</sup> to October, there were approximately 50 fewer cars registered. She also said she thought people were buying cars, but they weren't as expensive, so the fees weren't as much. There was discussion.

Chair Carroll noted the semi-annual tax bill system, and Ms. Pitt said it was going well. She said occasionally there were people who made pre-payments.

Councilor Mower asked if residents knew that this option was available, stating that it might be an attractive option if the office was capable of handling that.

Chair Carroll noted that this could be helpful to the Town.

Ms. Pitt said there had been \$128,000 in prepayments received for the most recent tax bill.

Administrator Selig said this option could be noted in the Friday Updates, and Councilor Mower suggested that it also be on the Town website.

There was discussion that residents could pay their taxes by credit card, and that payments were accepted by automatic transfer. It was noted that there was a fee involved for a credit card payment. Ms. Pitt also said residents could use credit cards to renew licenses, etc.

Luke Vincent, the Town's Manager of Information Technology, spoke next about a process developed to provide additional IT support to the Town's Fire Department and Police Department. He said Main Street Technologies was brought in to do an assessment on what was needed, and said the company determined that there should be a focus on having a disaster recovery plan. He provided details on how this would work, and said it could be web based.

Councilor Mower asked Mr. Vincent to discuss the \$30,000 budgeted for consultant backup for 2012.

Mr. Vincent said this recommendation came out of the assessment. He said additional IT support was needed beyond what he could provide to the Police and Fire departments during his work

day. He said with this hole in the service that was currently available, the departments sometimes couldn't get IT assistance at a particular moment when it was needed. He said the \$30,000 would be for a service that would be available on an on-call basis. He said there would be 14-20 people available on a rotating basis to answer calls from the Town.

Chief Kurz said the Police Department ran on a 24-7 basis, and said it was never a convenient time when a computer broke down. He said if records management wasn't working, everything stopped, and said it always seemed to happen at night when there was no one to call. He said he'd advocated for this support because there was more and more data, and more dependence on computers. He said a lot of pressure had been put on Mr. Vincent to provide the support. He said it became a crisis when the computers didn't work, and said he was all for this budget proposal. He said another full time person could justifiably be hired to handle this.

Administrator Selig said Town staff had anecdotally identified this problem, but asked Main Stay to do an analysis of it. He said the company had determined that the Town's present model was cost effective, but was insufficient to meet the needs of the departments. He said with this Budget proposal, the goal was to fill in some of the gaps without hiring additional staff.

Chief Kurz noted that the Council liked to ask questions, and that Durham was very process driven. He said all of this required data. He said he had to be able to demonstrate that the Police Department needed something when he requested it.

Mr. Vincent noted that there was a line item for website implementation in the Budget last year, but the Town wasn't able to proceed with it. He said the vendor was now chosen, and said it would provide a content management system that would replace what was on the website right now.

Councilor Mower asked if the new website would be backed up by a system that would allow decentralized access. She said members of the committees she was on had noticed that their particular web pages could benefit from committee members being able to refresh the pages. She said these committees added to the sense that Durham was a community, and said it would be good to be able to do this.

Mr. Vincent said any tools they got with the new website would go far beyond what there was now.

Administrator Selig said right now, doing updates on the webpage created a host of issues, and no one did them if Mr. Vincent was called away. He said with the new website, committee members would be able to do the updates themselves.

Councilor Stanhope noted that people could now access previous meetings on the website, which was a great benefit. He asked if there could also perhaps be live streaming of meetings.

Mr. Vincent said it was an option, but said there would be an additional cost of about \$2,000 if it was done through the same company. He said the Town could also use Live Stream, which was a

more open streaming service, but he said the quality and reliability of this service was still questionable.

Administrator Selig said it would be helpful to get feedback from the Council on this.

Mr. Vincent noted that Town staff had seen interest in DCAT broadcasts of meetings leveling off.

Councilor Gooze said he thought interest in watching broadcasts on DCAT tended to be issue oriented.

There was discussion that there were currently technical challenges to watching meetings, in terms of being able to navigate back and forth within the meeting. Mr. Vincent said he'd work with the provider on this.

Mr. Vincent said that traditionally, there had been an emergency management fund for cell phones so Town staff could talk with one another. He said staff was currently re-examining that program to see if there was a better way to provide this. He provided details on this, and said one option was a stipend based program, which could reduce overall phone costs significantly.

Administrator Selig said years ago there wasn't a technical person, but now everything they did required this backup. He said while there was an expense involved, there were efficiencies that went along with this.

Chief Kurz spoke before the Council. He said the Police Department understood the economic situation, and concerning police services, would make it happen.

Councilor Cote thanked Chief Kurz for putting into the narratives for the Police Department budget some great narrative, which provided answers to Councilors' questions. He said all of the departments should follow this.

Councilor Gooze asked if there would be a change in the line item for court activities, given the fact that the State was talking about consolidating those services.

Chief Kurz said the only possibly savings was that if the county did prosecutions, a line item for contractual services with an attorney would be eliminated. He said it would result in a savings of \$25,000.

Councilor Stanhope noted that Chief Kurz had agreed to not replace a police officer, and also noted that recent reports indicated that crime in Durham was becoming more violent. He said over the past 24 months, the focus had been on solving the neighborhood problems, and said this had been mitigated to a certain extent. He asked if being down one officer created more need to focus on more violent events, etc., and to therefore pay less attention to the more mundane issues.

Chief Kurz said staff might not be able to respond as quickly, but said they still would tackle the neighborhood issues and more mundane issues. He said the essence of the Durham Police Department was being able to do this, and said he didn't want the department to say it didn't have the time to do something like find a dog when it broke off its leash. He said that was the essence of a small town police department. But he acknowledged that there were more violent clientele in Town.

Chief Kurz said he could see the day when some services would have to be cut, noting that without the 19<sup>th</sup> police officer, 20% of the capability on what would otherwise be a five person shift was taken away. But he said he understood the financial issues. He noted that when he came to work in Durham, 82% of the Town budget was personnel. He said it was now 92%. He said something had to give, and said cruisers, training and community programs weren't being delivered anymore. He said that was the reality. But he said they would still respond to calls for service.

Councilor Stanhope said if that fifth officer on a shift was lost, if they were focusing on the more critical crimes in the community, and if the neighborhood problems were therefore not being addressed in a timely fashion, they ran the risk of sliding back concerning these problems.

Chief Kurz said there was no question about that. He said Thursdays through Saturday, there wouldn't be cruisers out of Town in places like Packers Falls Road, because all of the attention would be focused in town. He said there would be no preventive patrols outside of town unless someone called.

Councilor Gooze said there hadn't seemed to be any decrease in the coverage in the neighborhoods. He said if that happened, the 19<sup>th</sup> officer would be revisited.

Chief Kurz said the reason they hadn't been seeing this was that until Homecoming, staff had been augmented with overtime.

Councilor Marple asked whether due to the unseasonably warm weather, the fall overtime situation seemed to get extended every year.

Chief Kurz provided details on this. He then said that with the Budget that was proposed, there was no margin of error if something went wrong. He noted that 2012 was an election year, and said if President Obama came to Durham, it would be expensive because the Town wouldn't be reimbursed for the expense involved. He noted that the Town was reimbursed for events put on by political parties.

He said he and his staff appreciated the fact that there was no argument that the department could use a 19<sup>th</sup> officer, and could use cruisers. He said there was no wiggle room in the Budget, and said these things were eliminated because the State wasn't paying for retirement. He provided details on how the cruisers situation was managed. He said the average amount of mileage on the police cruisers was 95,000, and said the DPW was doing a great job keeping them going. He said his own vehicle had 178,000 miles on it. He said two new cruisers would be online for 2012.

Councilor Marple provided an anecdote about a conversation she had with a small business owner in Dover, who complained about the taxes there and the tax base. She said it was hard for everybody and not just Durham because it was a small community.

Chair Carroll asked if Councilors wished to speak further about the Budget.

Councilor Mower asked Administrator Selig to address the point made by Mr. Van Asselt regarding the increase to the base of the Budget by folding in the abatement.

Administrator Selig said Mr. Van Asselt was accurate, technically speaking. He said he had to increase the overlay account that provided tax refunds that were warranted. He said the amount for 2011 was in the \$300,000 range. He said when the tax rate was set, rather than using fund balance to pay for that, the money was raised through taxes. He said the Assessor had recommended budgeting that same amount for 2012, so this was being kept constant in the projections. He said it was not a one-time number and would likely be over two years. He said this did increase the bottom line of the Town portion of the tax rate.

Councilor Gooze asked if this would happen for several years, or if the overlay amount would come down to a more reasonable number.

Administrator Selig said historically \$75000-125000 was budgeted for the overlay. He said the next statistical update was planned for 2013, and said it was likely that in 2013-2014, the overlay would be increased again to cover errors made as a result of the statistical update.

Councilor Stanhope said setting up a reserve was appropriate, in part because of historical errors made in valuations. But he said an even bigger concern was that markets were falling away from assessed property values in the commercial sector and some subsets of the residential sector, which presented the risk that individuals within these sectors would file for abatements.

He noted that he'd done some recent research on this for Durham properties, and spoke further on what he had found. He said he thought the cost of assessing services and the abatements would be a problem for the Town until there was some stability in the real estate market.

Administrator Selig said when the 2011 Budget was approved, the projection was an increase of 1.62% in the Town's portion of the Budget. But he said because of the \$300,000 in abatements, the actual increase was 6%. He said the \$.04 increase in the Town portion of the tax rate now noted in the Budget transmittal letter would have been a lot more if that increase hadn't occurred, but he said there had been two lengthy conversations on this by the Council.

He noted that an auditor from the Department of Revenue Administration had done some spot checks of assessments done for Durham, and determined that none of the properties that were looked at exceeded the percentage of error deemed to be unacceptable. But he said the auditor found that the vast majority of parcels that were looked at did have discrepancies, and particularly the multi-unit parcels, which were noted as having declined in terms of their condition.

Administrator Selig said a question they might want to talk about was budgeting funds for a full valuation in advance of the 20123 update, or waiting and proceeding with the rolling inspection process starting in 2014.

Councilor Stanhope suggested taking care of fires as they came up and using the rolling system. He said doing a full valuation wouldn't be a wise use of taxpayer money.

There was discussion about doing the \$300,000 overlay over the next few years, or at least through 2012. Administrator Selig spoke about the \$150,000 in UDAG funds proposed to be spent for 2012, and about how the tax rate would be impacted if this wasn't spent. He said he was recommending spending it because he was hopeful there would be an opportunity for a very beneficial public private partnership in the central core of town.

Councilor Mower asked whether if the Council approved the use of UDAG funds and then didn't use it, the unused money would go back to the UDAG fund or would instead go into the fund balance.

Administrator Selig said if the money wasn't spent, it would stay in the UDAG fund.

He noted that he was a bit concerned about the reliability of the insurance numbers, given the turbulence the Local Government Center was going through right now.

He said he wouldn't be at the Council's meeting the following week, and said Ms. Jablonski would take his place. He said the next Budget discussion would be in two weeks. He said Mr. Lynch would be at that meeting, and said if Councilors had specific questions about budget items concerning other departments, other department heads could be there as well.

## **VI. Adjournment**

***Councilor Niman MOVED to adjourn the meeting. Councilor Gooze SECONDED the motion, and it PASSED unanimously 9-0.***

Adjournment at 10:24 pm

Victoria Parmele, Minutes taker