

**This set of minutes was approved at the March 2, 2015 Town Council meeting**

**DURHAM TOWN COUNCIL  
MONDAY, NOVEMBER 24, 2014  
DURHAM TOWN HALL- COUNCIL CHAMBERS  
7:00 PM  
Town Council Budget and CIP Work Session  
MINUTES**

**MEMBERS PRESENT:** Council Chair Jay Gooze; Council Chair Pro tem Carden Welsh; Councilor Julian Smith; Councilor Robin Mower; Councilor Diana Carroll; Councilor Kitty Marple; Councilor Dave Howland; Councilor Kathy Bubar; Councilor Wayne Burton (arrived at approximately 7:10 pm)

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Town Administrator Todd Selig; Business Manager Gail Jablonski; DPW Director Mike Lynch; Parks and Recreation Director Stefanie Frazee; Assistant Fire Chief Jason Cleary; Town Engineer April Talon

**I. Call to Order**

Chair Gooze called the meeting to order at 7:05 pm.

**III. Approval of Agenda**

*Councilor Smith MOVED to approve the Agenda. Councilor Marple SECONDED the motion, and it PASSED unanimously 8-0.*

**IV. Public Comments**

**Bill Hall, Smith Park Lane**, spoke in detail about the stop log issue concerning the Wiswall Dam. He also spoke about the idea of putting in a roundabout, and said it would turn Main Street into one lane of traffic again, which would result in a backup of cars. He said it was already known what that failure was, and questioned spending \$45,000 on the traffic model to look at this. He said the Town was stuck with the current traffic situation because the University had backed out of building the Northern Connector. He noted that a report said it would reduce traffic in Town by 40%. Mr. Hall said Assessor Jim Rice was doing a great job and had resolved a number of issues. He said he wasn't surprised that the Town had to pay a fair price to get that work done.

### **Budget and CIP Discussion**

Administrator Selig noted that the Council had wanted to talk more about the integrated watershed plan items in the CIP, so Town Engineer April Talon was present tonight to speak with the Council. He said Town Engineer April Talon was present. Ms. Talon said at a recent meeting with the EPA, the EPA talked about total loading from the wastewater treatment plant as well as loading from nonpoint sources of pollution. She said instead of focusing on going from 5 to 3 ml/liter, EPA was encouraging the Town to address nonpoint source issues as well.

Councilor Mower asked Ms. Talon to talk about her impression on the discussion with EPA on the integrated permit. Ms. Talon said the EPA and DES explained what specifically would be involved in doing the integrated permit. She said a large piece of it would be a load analysis that would allow the Town to look at the total nonpoint source loading in the watershed and separate out the Town share that it might be able to take responsibility for and make improvements. She said this analysis would need to be done in order for the EPA to write an integrated permit.

Councilor Carroll noted that the emphasis last year was to get baseline information first on the water quality of the Town's water bodies. Ms. Talon said baseline monitoring was being done, and was important so that if improvements were made the data would show these changes. She also said the technical assistance grant the Town had received could be used to do the load analysis.

Councilor Welsh asked how all of this tied in with the proposed Budget, which was significantly different than last year. He said EPA was saying now to do some of the analyses, but said he thought some of the analyses were cut out in the current Budget. Ms. Talon said the plan was to use the \$67,000 in grant money from EPA to work with them and their contractor. She said the grant money would be used to work on the load analysis so it could be included in a potential future integrated permit.

Councilor Welsh asked what had been cut out of the Budget on these things that were in the Budget last year. Ms. Talon said about \$500,000 that was approved for 2014 hadn't been used yet. She said the Town could do some things with it, such as the fertilizer program, etc., but said it didn't make sense to do budgeting now for future years without having allocations for the money approved. There was further discussion. Councilor Welsh said the Council hadn't seen the plan for this.

Administrator Selig said last year as part of the 2014 Budget and CIP process, it was projected that the cost of stormwater management over the next 10 years would be \$4.9 million, which came to about \$500,000 per year. He said \$494,000 was budgeted for 2014 but this was put on hold, and said if it made sense to start spending some of it, a plan would be put together and this would come to the Council for approval.

He said the plan for the next 12 months was to proceed with the \$67,000 EPA grant money and to continue with the pilot phase of the Bardenpho process and see how close the wastewater treatment plant could get to 5 mg/l. He said this would give the Town

more time to see what happened with the federal MS4 permits, which had been delayed until next summer. He said this was a slow but steady approach, and was one that was far ahead of what other communities in the region were doing.

Chair Gooze said he was hearing that it was worth keeping the \$500,000 in the Budget. Ms. Talon said this money included MS4 compliance items, as well as money for a fertilizer program, etc.

Councilor Welsh asked when the Council would see a plan. Administrator Selig said the money to fund this through bonding hadn't been raised yet, even though there was the authority to spend it. Councilor Welsh asked when the authority to spend it ended and Administrator Selig said it could be carried forward until it was sunsetted. Councilor Mower noted the Town's conservation bond worked like that.

Councilor Howland said this information was helpful. He asked if the EPA and DES were saying anything about the 3 mg/liter limit. Ms. Talon said the EPA was holding to that, regardless of whether nonpoint source loading was included or not. Councilor Howland said that was unreasonable, and said the Town should never agree to that. Ms. Talon said there was a 10 to 15 year window to achieve this, and noted that it was the limit of technology, which was required by the Clean Water Act. She said the EPA had said the integrated permit would allow for direct tradeoffs within the permit itself. She said there would be flexibility and said it made sense from an operational perspective.

Councilor Mower said the EPA also said there would be no guarantee that if the Town took that route, it wouldn't have to do a separate permit. She said a question was how much discussion to have about all of this this evening. Chair Gooze said unless the Council said it wanted to sunset the money, he thought it should be left as it was.

Councilor Howland noted that some good things could be done, focusing on nonpoint source pollution, but said as long as there was a provision that Durham needed to go to the limit of technology at the wastewater treatment plant, he didn't think the Town should spend a dime on nonpoint pollution.

Administrator Selig said at the recent meeting, the EPA said the focus was not only on the tailpipe, but was also on the watershed tributaries. He said the EPA wasn't firm yet on what this meant, but said it sounded like the agency would make everyone get down to 3 mg/liter and also make everyone do things that focused on the health of the tributaries and Great Bay. He said the good news was that the Town wasn't under pressure concerning all of this right now, and said the \$500,000 gave the Town leverage to get grant funds if the opportunity arose. There was further discussion.

Councilor Welsh noted that there had been a lot of questions about the cost of the New Town Hall project, the cost of the old Town Hall building, etc. and asked if there was one figure for all of this. Councilor Smith asked what any of this had to do with the Budget discussion, since the building had already been bought. Councilor Welsh said he would

like to be sure they weren't taking more money out of the TIF than was used for capital expenditures. He said the money had been spent on the project but said this still had to be funded through bonding. He said by knowing how much was spent, the Council would have a good idea what the carrying cost would be.

Ms. Jablonski went through the costs concerning the new Town Hall:

- purchase and sale of property – \$ 745,000 bonded, off the books
- construction - \$1,978,160 budgeted; spent \$2,220,151
- Total project: budgeted \$2,723,160; spent \$2,965,151; overage of \$241,991 (8.9%)

Art Guadano, the architect for the project, said for a renovation project, he recommended a contingency of 10%.

Ms. Jablonski went through the funding of the total \$2.9 million cost for the new Town Hall project:

- \$745,000 for the purchase of the building, bonded in 2013
- \$878,700 for the construction cost, bonded in 2014
- Plan is to bond \$980,000 in 2015
- There is \$334,960 in the 2014 budget that the Council will be asked to move over into the capital project, leaving a balance of \$26,491 to be funded. There is currently a budget freeze.
- About \$89,000 in construction costs was charged to the General Fund, including the work done by the DPW. Administrator Selig said this cost would be absorbed into the operating budget and the Town would forego other things it might normally do. He said these costs were direct charges to the DPW budget.

There was discussion. Chair Gooze noted that there was nothing in these numbers regarding selling the old Town Hall property, and said this should be considered in thinking about the bonding to be done. Councilor Smith asked if the 2015 Budget included the carrying costs for the old Town Hall building, and Ms. Jablonski said yes.

Councilor Smith noted that the DPW had spent some time working on the new Town Hall project, and asked if other DPW projects therefore had to be postponed and were now in the 2015 Budget. DPW Director Mike Lynch explained that DPW hadn't done a small amount of each of its 26 programs, and said none of this work was mandatory so could be skipped for a year. He noted that a project that wasn't done was the Bagdad Road sidewalk, and said it was now in the 2015 budget. He also said about half of the culverts and outfalls were done, but said DPW would not be making up the difference this year.

Administrator Selig said the Town was \$26,000 short in covering the Town Hall project. Concerning the operating budget, he said it was hoped there would be a mild early winter. He said there was a risk of overshooting the budget for 2014 by about \$30,000.

Ms. Jablonski provided further details on the carrying costs for the new Town Hall, and there was discussion. Administrator Selig said if there was a strong response to the RFP for the old Town Hall property, the entire \$980,000 that was to be bonded could be wiped

out, but said they wouldn't know about this until the first part of next year. He said if needed, the Council could potentially cut a program being discussed for 2015 and divert the funds instead to the new Town Hall project. He noted other possible options.

Councilor Carroll noted that there had been talk that the Town should have waited to do the new Town Hall, and she asked Mr. Guadano for his perspective on this. Mr. Guadano said construction costs continued to go up, and said if the Town had waited, the cost would be more than what was being paid now. He said \$154/sf for the construction cost was an excellent price for this building, and said a new building would cost \$200/sf or more. Administrator Selig said the Town was able to take advantage of good interest rates. Councilor Welsh noted that the carrying cost for next year would be \$53,000 to \$70,000 in interest on the bonds.

#### Parks and Recreation Department – Churchill Rink

Parks and Recreation Director Stefanie Frazee provided details on the plans for Parks and Recreation to manage the Churchill Rink and the funding needed to accomplish this. She said it was a challenging facility, and said among other things, there was an incremental approach to doing repairs. She said they were concentrating this year on making investments to ensure the long term viability of the rink. She noted the \$60,000 cost to replace the cooling tower, and said this cost was so low because the new management team had been able to find a refurbished tower. She said the existing equipment could get through this season but needed to be addressed in the spring.

There was discussion that nonresidents could use the rink and didn't have to pay an extra fee. It was noted that as part of data collection on who used the rink, there should be some way to distinguish between residents and nonresidents.

There was detailed discussion about the contingency line in the Parks and Recreation budget. Councilor Welsh noted that there was less money left in the contingency line than in previous years and asked why. Ms. Frazee said the biggest increase in cost was hiring a management company for the rink. She explained that an analysis was being done now of the building, which wasn't done in previous years and therefore set the Town up to have to address some major mechanical issues now. Councilor Welsh asked where things were headed, and if the objective was to have no fund balance but have a great skating arena that was used more. There was further detailed discussion on this.

Councilor Howland said there had been a significant change in the overseeing of the rink, with Parks and Recreation taking this over. He spoke in some detail on this, and said there was a steep learning curve. He explained that they had taken a step back to look at what they had to work with, and what could be done in a sustainable way. He noted that they had decided to rebid the management of the rink.

Chair Gooze provided details on the spreadsheet he had put together, working with Administrator Selig's original budget. He first spoke about the numbers in the Fire Department capital reserve account and Ms. Jablonski provided details on this. She said

the Council needed to decide how much to put in to continue the balance in the capital reserve account, and said if the Council then approved doing the Fire Department feasibility study, it could look at funding that with additional funds coming from someplace else. She said there was currently \$160,000 in the capital reserve account.

Chair Gooze said the spreadsheet he'd put together was a starting point, and he went through it in detail.

Chair Gooze said if a year from now, funds were needed for a parking structure, the percentage could be recalibrated and the TIF district could be amended. There was detailed discussion. Councilor Mower asked Administrator Selig and Ms. Jablonski what they thought about what Chair Gooze had proposed, which was an approach to funding some things that the Council otherwise couldn't fund this year.

Administrator Selig said when they originally put the draft 2015 Budget together, he had realized there was a substantial amount of value accruing for the TIF district, and no identified purpose for this value. He said that value was considered to be off limits in terms of developing the Budget, but said he'd felt that it would be a core part of the conversation with the Council on the Budget. He said a key question now was how the Council wanted to use that value, - to fund what he initially had brought forward, or do something else. He spoke further on this.

Councilor Smith confirmed that the cuts and additions recommended by Chair Gooze would keep the Budget from going over a certain percentage increase. Chair Gooze also said the Council could add \$20,000 for something else and still stay with the Council goal of a 1.72% increase in the tax rate.

Councilor Smith asked why Chair Gooze had included the additional police cruiser in his spreadsheet, and Chair Gooze said it seemed to be working to replace two cruisers a year. He also noted that the new cars were more efficient.

Chair Gooze said the Council could perhaps take out the Fire Department feasibility study and put nothing into the capital reserve account this year, or could do something else. Councilor Smith asked that Administrator Selig discuss with University administrators what "the foreseeable future" meant. He said he'd be willing to put money into a study for the existing fire station if there were assurances that this money wouldn't be wasted.

Administrator Selig said he spoke with UNH about establishing a long term agreement concerning the Fire Station, and said UNH would like to discuss this within the context of the funding formula. He said UNH didn't think this was a pressing issue or a high priority, but he said it was a high priority for the Town. Councilor Smith said he would prefer that they not speak about a new Fire Station. Administrator Selig said the Fire Department had made a persuasive case that a new fire station was needed, and said he had therefore brought it to the Council as a proposal.

Councilor Howland thanked Chair Gooze for the spreadsheet and said it was very useful. He noted the concerns he'd recently expressed about using the TIF in this fashion, and said he'd like to make sure the Council realized that if it took this approach, this would be setting a strong precedent. He spoke further on this.

**Jim Lawson, Deer Meadow Road**, said he appreciated the concerns Councilor Howland had expressed. But he said as someone who had worked on the TIF, he believed that he and the others involved anticipated that the boundaries might change and that how much was captured in terms of the increment might change. He noted that if there was a decision to bond using money from the TIF, this became an obligation that the TIF had to service, and said the Council wouldn't be able to change that. He also said if the TIF was restructured to be able to do something like a parking structure, even with a change in the ratio, the amount of value in the TIF would be increasing. He spoke in detail on this.

Councilor Mower said another thing that could be change was the specific projects in the TIF, and said what was listed for the TIF wasn't definitive. Mr. Lawson provided details on this.

Administrator Selig said he recommended continuing to fund the capital reserve fund for the Fire Department at some level, and said if the Council was uncomfortable moving forward with a feasibility study for the existing Fire Station right now, the money should still go into that account.

There was discussion that the spreadsheet Chair Gooze had provided was a starting point. Councilor Smith said he would be happy to do as Chair Gooze was suggesting, including the second police cruiser.

Administrator Selig said in response to Councilor Howland that the Town had been successful at creating value with the TIF. He said it was very appropriate to use those monies for general fund costs, but said they should be very prudent about how they were doing this.

Councilor Mower said the Town would benefit economically from development, but said this shouldn't blind them to impacts on the Town's quality of life. She said this provided an opportunity to improve public amenities in the TIF district itself, as was noted when the TIF was established. She said it would be very appropriate to consider sidewalks, etc., and she read from the Council Communication written at the time the TIF was established. Administrator Selig said he thought the biggest item the Town would face was structured parking, and said this would be a discussion item within the next two years.

Chair Gooze said he had taken the Fire Station feasibility study out of the spreadsheet, and added \$40,000 to the Fire Department capital reserve fund, noting that \$20,000 of this would come from the University. He provided details on the numbers involved. He said this came out to \$8.48 for the 2015 tax rate.

Councilor Welsh said what Chair Gooze had provided was a good baseline for Councilors to think about, and then consider adding to and subtracting from. Concerning the TIF, he said they needed to make sure the monies didn't get swallowed up into operating expenses. He spoke further on this. He said what was taken out of the TIF should be for TIF capital projects, and said what was proposed for 2015 met this test.

***Councilor Welsh MOVED to use Chair Gooze's plan as a baseline for discussion.  
Councilor Smith SECONDED the motion.***

Chair Gooze said he would include the changes he had just mentioned concerning the Fire Department feasibility study and capital reserve fund.

There was discussion about the revisions that would need to be made to the TIF document. Chair Gooze said Town Attorney Laura Spector Morgan would look at the document again, and noted that she had recently determined that the Town Hall could not be included in the TIF district.

Chair Gooze asked Councilors to indicate what they were going to subtract, if they wanted to add something to the Budget. He said they could also just subtract an item. Councilor Howland said it might be wise to think in terms of what cuts Councilors would offer to make up the gap, if the Town Attorney determined that the change to the TIF wouldn't work. Councilor Welsh said the Council could go back to the original budget if that was needed.

***The motion PASSED unanimously 9-0.***

There was a brief discussion on whether the Town should pay for the annual 4<sup>th</sup> of July fireworks celebration, now that the Durham-Great Bay Rotary Club wouldn't be doing it anymore.

Councilor Carroll said she would like to see a safe Fire station, and said the current Fire station wasn't safe. She said this was ironic, given that the Town put its safety people in an unsafe building. She said she hoped that in working with the University, which was strongly in favor of safety, this could be a bargaining chip.

Councilor Mower noted that during the presentation of the CIP to the Planning Board, there was discussion on whether there was an urgency to make improvements to the Crommet Creek Bridge this year. She said it was a red listed bridge, and said the approach was the dangerous part. She asked what NHDOT would think about changing the speed limit in the area of the bridge, as Richard Kelley had suggested during the Planning Board's discussion on the CIP.

Councilor Mower asked that approval of these Minutes be delayed so more detail on the Crommet Creek Bridge situation could be provided in the above paragraph. Chair Gooze said people could go the DVD to get that detail. Administrator Selig noted that the DPW was planning to host a neighborhood forum on this issue. There was further discussion.



DPW Director Mike Lynch provided details on the deficiencies of the bridge, and explained that it wouldn't be economical to do the work on the bridge separately from the paving of the road area leading up to it. Mr. Lynch also spoke about the efficiency of doing the road work and sidewalk work at the same time on Bagdad Road as well as on Mill Road.

Councilor Mower discussed gaps in the sidewalks in Town. Mr. Lynch noted that Strafford Regional Planning Commission had developed a sidewalk program. Councilor Mower said ADA compliance appeared to be incorporated into the thinking on this.

There was discussion on repairs needed to the Main Street railroad bridge. Councilor Mower said most of the traffic in this area was going to UNH, and Councilor Smith said that bridge benefited UNH in more ways than it benefited the majority of residents. He said this needed to be rolled into the discussion with the University. Mr. Lynch noted that the Town owned the road, and Councilor Smith said maybe the Town should give it to the University. There was further discussion.

There was discussion on possible renovation of the train station area. There was also discussion about plans to accommodate foot traffic that would come over the new bridge from Madbury Commons to the Pettee Brook parking lot. Mr. Lynch said the conceptual design was to retain the parking lot, and create a park like setting and a path through what was an active parking lot. He said this would be a challenge.

Town Engineer April Talon said the DPW was working with Hoyle Tanner on the Crommet Creek project, and she provided details on this. She said it would include the design of the guard rail, and said the plan was to move forward with the project in the summer if it was approved. She said this would cost approximately \$15,000 and said there was about \$8,000 of design money available. Councilor Carroll asked how long the bridge could go without major repairs. Ms. Talon said the guard rail was the main thing needed from a safety standpoint, and said as part of this there would need to be some minor slope impacts, drainage work, etc. She said if this work was done, the bridge could last another 15 years.

Mr. Lynch said the deficiency was an alignment issue, which the State didn't like but the Town liked. But he said the bridge could last 25-30 more years after the work was done, and noted that flooding was not a concern with this bridge. There was further discussion. Mr. Lynch provided details on the funding and said the University would pay for a portion of it.

There was further discussion on items in the spreadsheet Chair Gooze had created.

Councilor Carroll provided details on how stretched the Library staff still was, given the programming work as well as other work they did. She suggested that the Council should find a small amount of money for staff, and said this would be really helpful to residents in order to ensure that there would be good programming at the Library. Councilor Smith

thanked Councilor Carroll for raising this issue, and said it was an important quality of life issue for Durham.

Councilor Smith asked how many additional meetings were proposed to work on the Budget. Chair Gooze said they could finish up on December 8<sup>th</sup>, or December 15<sup>th</sup> if needed. Councilor Smith said he couldn't be at those meetings. Administrator Selig said perhaps the Council could finish up with the Budget on December 1<sup>st</sup>, in which case they could eliminate the meeting on December 8<sup>th</sup> and could vote on the Budget and CIP on December 15<sup>th</sup>.

Councilor Mower said she thought the spending on the PM traffic model could be postponed, and spoke in some detail on this. Administrator Selig agreed.

Councilor Smith noted the commentary in Fosters today, which didn't mention the issue of Durham's quality of life. He said he'd lived in Durham long enough to say that he didn't believe that the quality of life in the Town had increased commensurate with the amount of money the Town was spending, with the exception of the Library, improvements to the Transfer Station, and the new Town Hall.

He said one of the most expensive items in the Budget was salaries, retirement and cruisers for the Police Department. He said they were doing a fine job, but said a lot of the reason Durham had such a large Police Department, and the University's department was even larger, was that there were a lot of young people in Durham. He said the University wasn't doing enough concerning the small percentage who were causing so many problems, and wasn't being more selective in admitting them. He said he didn't see the quality of life improving, and said he didn't think Durham could continue to afford to maintain the Police Department unless it was willing to see a constant increase in the Budget.

Chair Gooze said he didn't agree, and said things seemed quieter now than they had been. Councilor Mower said Councilor Smith was bringing up an interesting point, which was shared by some members of the community and should be kept in mind. Councilor Smith said the University was doing better, but said it could still do even more.

Councilor Carroll said she appreciated consideration of the issue of Durham's quality of life, and said something that added to this was the Parks and Recreation program. She said it had improved the quality of life for Durham children in particular. Councilor Smith apologized for not including this, and said it was because he personally didn't use the programs. Administrator Selig noted that measuring quality of life varied from person to person. He also said Durham was a highly desirable place to live, and said people should consider what the quality of life would be if the Town didn't go to the extent it did to maintain this.

Administrator Selig asked Councilors to forward possible additions and deletions to the spreadsheet Chair Gooze had provided by Monday.

Administrator Selig noted that a tentative collective agreement had been reached with the Fire Department for 2015, and said if it was ratified, he'd provide it at the Council's last meeting in December, including details on the agreement.

Councilor Burton spoke in detail about some of the changes in Durham over the years. Among other things, he said when he moved here, the Town dumped raw sewage in the river, and there was no planning. He also said the Town was dry in the 1960's, and now there was a larger percentage of students living in Town.

Councilor Welsh said he thought it was important to say that the Fire Department building was shabby but wasn't unsafe. He said further on this, and said if they did think it was unsafe, they should do something about it. Assistant Fire Chief Jason Cleary said the Fire Station was the only unsprinklered dormitory on campus, which meant staff slept unprotected. He also said there wasn't a proper diesel exhaust system. He said they couldn't change the design of the building, and said the Council understood what it was like to try to operate in a substandard building. He said it was no different for the Fire Department. He said someone needed to make a decision and get the ball rolling.

Chair Gooze said he agreed, and said that was why it was important to get a definitive answer from UNH. Mr. Cleary noted that the Town had worked diligently to bring the living conditions of students living in Durham off campus up to code in recent years.

Councilor Howland said he heard the frustration of the Fire Department, and said this came back to the Town's partner, UNH. He noted the various site studies the Town had done, for Stone Quarry Drive, the Jacques property, B lot, A lot and C lot. He said a lot of money had been spent on this but there was nothing to show for it. He said he believed the Town needed to drive a harder bargain with UNH on a number of fronts. There was further discussion.

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

Adjournment at 9:55 pm

Victoria Parmele, Minutes taker