

The Claremont City Council held a budget meeting on Wednesday, November 21, 2006, in the Council Chambers of City Hall.

Members of the Council present were:

Deborah Cutts (Late)
Heather Bopp
Mayor Scott Pope
Andrew Austin
William Regan, III
Ralph Swift
James Neilsen, IV

Absent:

Michael Prozzo, Jr.
Assistant Mayor Christopher Irish

Also present were:

Guy Santagate, City Manager
Mary Walter, Finance Director
Bruce Temple, Public Works Director

The meeting was called to order by Mayor Pope at 6:30 p.m.

NEW BUSINESS

Ms. Cutts arrived late.

Acceptance of \$10,000 Grant from New Hampshire State Library for Restoration of Cemetery Books

Mr. Temple said some of the money received for the moose license plates goes into a special fund. We have been working to preserve our cemetery books; some go back as far as the 1800s and they are falling apart. The grant will get these records (some handwritten) cleaned, the paper treated to museum quality and the books rebound.

A motion was made by Mr. Regan and seconded by Mr. Austin to accept the \$10,000 grant from New Hampshire State Library for Restoration of Cemetery Books with thanks to all involved.

Motion carried 7-0.

Acceptance of \$285,000 Grant from Natural Resources Conservation Services for Sims Street Restoration

Mr. Temple said during the October 2005 floods, part of Sims Street (4,000-5,000 yards of material) slid into the brook. A home almost lost a shed and there was some property damage to one or two other homes. FEMA helped fund some of the engineering and temporary stabilization of the bank. The Natural Resources Conservation Services accepted our application, after the fact, with the help of Senator Sununu's office. It is an 80/20 sharing program for up to \$285,000. He expressed his thanks to all that helped. It will go out to bid in December.

A motion was made by Mr. Regan and seconded by Ms. Cutts to accept the \$285,000 grant from Natural Resources Conservation Services for Sims Street Restoration with thanks to Senator Sununu and his staff, Chris Collins and Melissa Ogle.

Motion carried 7-0.

BUDGET

Mr. Santagate talked about the cuts that had been proposed at the November 15 budget meeting. He passed out the explanation of those cuts.

Highways (Streets & Roads)

Mr. Temple said paving this year cost \$526,000. That is 5,500 tons of paving, 38,000 square yards or 2.5 miles of work over nine streets. \$10,000 was carried over from 2005 for sidewalk work and this year, \$19,600 was spent. That is 7,800 square feet of sidewalk which is equal to 1,500 lineal feet of a 5-foot wide sidewalk. Public Works has started putting up street signs with the Claremont logo on top. They have been trying to get their small sign shop up and running this year to get onto a sign-rotation program. The street pavement markings are subcontracted, but some are done in-house. They grade gravel roads twice a year. In 2005, they started a lot of construction jobs. They have completed six jobs: Byrd, Martha and Carr; Dunning Street; Pleasant and West Pleasant; Broad and South; Glidden, Middle and Bond; and Monarch and Plains Road (connected water line). On the Plains Road there was a maintenance situation (7-8 major water line breaks) which was included with Monarch and Plains Road. The Waste Water Treatment Plant is up and running with a \$2.1 million contract that is expected to be completed in August 2007. The Water Treatment Plant has a \$3.3 million contract and is under way.

Mr. Swift asked if the head count was the same. Mr. Temple said yes.

Mr. Temple said that Regular Pay is up and that is due to union contracts. Overtime was held at \$90,000; Temporary & Seasonal has dropped due to reallocation to different divisions. Longevity is by contract; Consulting – Engineering & Professional was overspent in 2006 due to

replacing culverts and cleaning of ditches and you can't do that without getting wetlands permits which require outside consultants. It has been increased from \$2,500 to \$5,000 in 2007. The Street Lighting program dropped due to working with PSNH (Public Service of New Hampshire) and replacing street lights with high pressure sodium lights. Materials Management line went to zero. Building/Facilities M&R is down; windows are being replaced this year. Streets – Summer Maintenance and Drainage were overspent due to fixing drainage issues and they went hand-in-hand with the repaving program. Streets – Winter Maintenance is up a little bit. With the purchase of the new salt shed, we're purchasing high quality winter sand (5,000-6,000 tons). They are mixing a sand/salt blend. Some storms will use just straight salt. Mr. Santagate pointed out that the sand that was used in previous years was from our own sand pile. It has run out, so now we have to budget to buy it. Bridges – Maintenance & Repairs went up due to an expansion joint needed at Esersky's bridge. Sidewalks are up due to the price of concrete. Signs & Street Markings are overspent a little for 2006. In 2007 we will continue to work on street signs and keeping the markings fresh. Rents & Leases – Vehicle Schedule is up about \$6,000. Street Inventory/Pavement Management is \$712,000 (hot mix paving number).

Ms. Bopp asked about the money for bridges. Ms. Walter said it is under Revenue and can be used for anything to do with roads/transportation. As of the end of October, there was \$40,158 in that line item. Mr. Temple said the Red Water Brook bridge is closed and it will cost \$75,000 to replace the bridge deck.

Mayor Pope asked how the sand/salt mix will affect the public sand pile. Mr. Temple said it will be there, but it won't be high end.

Mr. Austin asked about Vehicle & Equipment M&R. Mr. Temple would like to keep it at \$60,000 because if a major repair pops up, the money will be needed. Mr. Santagate said this budget is important and it goes hand-in-hand with economic development.

Mr. Neilsen said that the paving at \$500,000 kept people busy and he asked if we can keep up with the work at \$712,000. Mr. Temple said they will work in 6 locations (2 in each ward). Of the \$712,000, \$212,000 will be contracted out for Water Street and the Mill District. That will leave \$500,000 which will be done with the same 30 employees.

A motion was made by Mr. Swift and seconded by Ms. Bopp to tentatively approve the Highways budget for \$3,869,125.00.

Motion carried 7-0.

Sanitation

Mr. Regan said one of the biggest increases in the budget has been Health Insurance. He asked when we will self-insure. Ms. Walter said we were and it "killed" us. We carry the retirees in the experience pool. Ms. Walter said we save in Revenues, because we haven't had to take out a TAN in four years, which saves interest. We have rebonded some long-term debt which has saved us almost \$100,000 in one year.

A motion was made by Mr. Neilsen and seconded by Ms. Cutts to tentatively approve the Sanitation budget for \$200,985.00.

Ms. Bopp asked about cutting the Transfer Station operation to one-half day per week. Ms. Walter said the Director gave it as a possibility, but it didn't make the most sense.

Mr. Temple said this budget has increased \$13,000. The Transfer Station operates 2 days a week, Tuesday and Saturday. Cornish and Newport use it, also. It costs \$190,000 to operate and we lose \$100,000. 400 tons of trash is sent to the Wheelabrator a year. There is some recycling. The numbers of people that use it don't make it economically feasible. He would like to close it, but cannot due to State law. He would like to look at alternatives such as pay-as-you-go or raising the rates. He thinks the recycling group should get going. Ms. Cutts said the Council will be given an actionable report in the next couple of months. Ms. Walter said a study was done 4 years ago that said only 3% of the citizens use the Transfer Station.

Ms. Cutts asked about the decrease in costs in Landfill Monitoring & Reporting Post Closure. Ms. Walter said it is the third year of a contract.

Mayor Pope is not in favor of cutting the Transfer Station to one-half day a week. Mr. Temple said the Transfer Station is open Tuesday and Saturdays and Public Works spends Wednesdays picking up trash around the city.

Motion carried 7-0.

Cemetery

Mr. Temple said two people are assigned to the Cemetery. There are 130-140 interments a year, Monday through Saturday and Saturday is overtime. The summer help does a lot of mowing and trimming. In January he will talk about fees. The Saturday overtime is \$5,000 a year. Furniture and Equipment was intended to buy a mower, but instead four trees needed to be removed for \$7,500. Something to think about in the future is cemetery property. Some are full and we'll need to look for space 10-15 years from now.

Ms. Bopp asked about Regular Pay. Ms. Walter said it covers a portion of the General Foreman, Director and temporary workers' pay in there. We back charge to the other division for actual hours worked.

A motion was made by Mr. Swift and seconded by Ms. Bopp to tentatively approve the Cemetery budget for \$206,500.00.

Motion carried 7-0.

Water

Mr. Temple said in the Enterprise Funds, there are the Water and Sewer Departments with 3,600 water customers and 2,700 sewer customers. When water fees go up, the impact on 3,600 customers is significant. The Water Treatment Plant (WTP) runs at 35-40% capacity and the Waste Water Treatment Plant (WWTP) runs the same. We have a lot of capacity to produce and sell water, but not enough customers. Last summer, Phase 1 of the WTP contract was to upgrade the filter process (\$600,000 to \$700,000 contract). The \$3.3 million contract is for water storage at the WTP. This year we replaced valves when working on the roads. A valve exercise program is expected in 2007. We have 1,200 valves (600 on hydrants). We have gotten away from directional flushing due to working on the roads, but we plan to get back to it. We have replaced a number of hydrants and big valves have been replaced. Another issue is feeding water from the new plant down Winter Street. In January/February, the Bible Hill Booster Station will go out to bid. There has been some pipe work on Monarch to bring the booster station on line.

Mr. Neilsen asked how many flat rate customers there are. Mr. Temple estimated of 3,600 customers, 85-150 are flat rate.

Mr. Swift asked about generated revenue for hydrant rentals. Mr. Temple said the Fire Department pays for them and the cost is spread out to everyone.

Ms. Bopp asked about Consulting – Engineering & Professional. Mr. Temple said this is for the dams (White Water, Rice and Dole Reservoir). The 2006 money went to professional divers for inspection of Dole Reservoir.

Mr. Regan asked about \$1.4 million in Miscellaneous Revenues for 2006, but zero for 2007. It was for the WTP and filtration system.

Mr. Neilsen asked about From Retained Earnings/Fund Balance. Ms. Walter said we will pay the SRF loan in December. There are not enough customers, so we take it from Retained Earnings.

Mr. Regan asked what the average customer pays. Mr. Temple said water and sewer combined is \$400-\$500 a year. Mr. Temple noted that the incinerator is one of the biggest water users and they are an essential customer.

Mr. Regan noticed a \$1,000 discrepancy in Revenues. Ms. Walter said it is in Miscellaneous Revenues and it should be \$1,000 instead of zero for a total of \$1,504,183.

A motion was made by Mr. Regan and seconded by Ms. Cutts to tentatively approve the Water budget for \$1,504,183.00 with thanks to Mr. Temple and his department.

Motion carried 7-0.

A motion was made by Ms. Bopp and seconded by Mr. Austin to tentatively approve the Water Department Revenue budget for \$1,504,183.

Motion carried 7-0.

Sewer

Mr. Temple said they are doing \$2.1 million in internal plant upgrades with an expected completion date of next August. The Sewer Department has a smaller crew than the Water Department; they do flushing, checking for infiltration, cataloging facilities and underground camera work. There is a \$300,000 contract to assess the condition of pipes and to recommend where major repair work should be done. We should have the Phase 1 report in January and the final in July. Dale Giles is putting the inventory information into the GIS system. Some sewers are from the 1900s; some newer ones are shoddy. The Mill District upgrade will take care of storm water separation.

Mr. Austin asked about how much ground water is going into the system. Mr. Temple said it is being monitored.

Ms. Bopp said she has gotten a lot of positive feedback about the work being done on Pleasant Street. She asked about PVE (Pleasant Valley Estates). Mr. Temple said it is a sewer line. The Planning and Development office is working with the group to obtain grants to pay for it. Mr. Temple said there is no money in this budget to pay to put the sewer line in. Mr. Santagate said the residents are committed to helping themselves and they have raised their monthly fees, along with seeking grants. The sewer line will be a public line and other customers can tie into it once it is in place.

Mr. Temple said even though we don't have to buy water, it is not free. Part of the White Water Reservoir is in Cornish and we pay taxes to Cornish. It was built in 1965 and not a lot of work has been done on it in 40 years. Dole Reservoir is a holding pond and the water from there goes to the WTP. When needed, the pumps by the Puksta Bridge are turned on to move water into the Dole Reservoir and that costs \$40,000 to \$50,000 a year. There are 14,000 to 15,000 feet of pipe that are constricted one way or another and will need to be fixed.

Ms. Bopp asked about the reduction in Miscellaneous Revenues Wood Chips/Sludge Processing. Mr. Temple said the WWTP takes sludge waste (septic tank disposal) on a limited basis. After processing, they have compost which is given away because there is no market to sell it.

Mayor Pope asked about the digging around the Sawtooth. Mr. Temple said down in the Mill District, there is a \$2.3 million worth of work going on. There is a sewer line that will go to a duplex pumping station.

Mayor Pope asked the Council to commit to tour the Public Works, Fire and Police departments.

A motion was made by Ms. Bopp and seconded by Mr. Austin to tentatively approve the Sewer budget for \$1,822,175.00

Motion carried 7-0.

A motion was made by Ms. Bopp and seconded by Mr. Austin to tentatively approve the Sewer Revenue budget for \$1,822,175.00.

Motion carried 7-0.

Mr. Neilsen identified himself as the CEO of the Credit Union and said they are offering a six-payment plan at 6% interest to help pay property taxes. This offer is good through January 31st. They are located at 98 Charlestown Road in Claremont.

Mr. Santagate handed out the 2007 proposed budget cuts.

ADJOURNMENT

At 9:06 p.m., a motion was made by Ms. Bopp and seconded by Mr. Swift to adjourn.

Motion carried 7-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council