

The Claremont City Council held a meeting on Wednesday, November 29, 2006, in the Council Chambers of City Hall.

Members of the Council present were:

Deborah Cutts
Mayor Scott Pope
Andrew Austin
William Regan, III
Ralph Swift
James Neilsen, IV

Absent:

Michael Prozzo, Jr.
Heather Bopp
Assistant Mayor Christopher Irish

Also present were:

Guy Santagate, City Manager
Jane Taylor, City Solicitor
Mary Walter, Finance Director

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

NEW BUSINESS

Welfare Guidelines

Mr. Santagate said the guidelines are revised periodically and we are required by state law to provide assistance to those in need.

Mr. Regan asked to change the wording to specify only U.S. citizens can receive assistance. Suzanne Carr, Welfare Director, said these guidelines are written according to the law. After discussion including an explanation that non-citizens are addressed in the guidelines, Mr. Regan said he stood corrected. It was noted that by statute there is an "escape valve" for emergency situations.

Ms. Carr summarized the changes. They are based on the model guidelines put out by the Local Government Center and the NH Local Welfare Administrators Association and she has adapted them for Claremont's use. The biggest change is that allowances have been increased due to fair market rents. Ms. Carr explained that the state pushes welfare costs down to the local level, requiring the City to provide certain levels of assistance without helping fund the programs.

Ms. Cutts asked about penalties for working people who receive general assistance. Ms. Carr said we are the safety net (emergencies). We can deny assistance if they have not applied for other benefits as required by the Welfare Department. Ms. Cutts asked about enforcement of Registration with the New Hampshire Department of Employment Security (NHES) and Work Search Requirements. Mr. Santagate said that is one of the reasons we have added a half person to the Welfare budget, so that we can ensure clients are taking all steps possible to get off welfare.

Mr. Swift asked if suspension for noncompliance can be longer than 7 or 14 days. Ms. Carr said no, it is state law.

A motion was made by Ms. Cutts and seconded by Mr. Neilsen pursuant to RSA 165:1, the Council hereby adopts the written guidelines relative to general assistance, as presented, including any attachment thereto and hereby authorizes the city manager, or his designees, to take such actions as may be necessary to implement and enforce said guidelines.

Ms. Cutts encouraged the City Manager to pursue staffing changes in order to tighten up the budget and, therefore, make funds available to needy people.

Motion carried 6-0.

BUDGET

Welfare

Mr. Santagate said last year there was a budget of \$255,000, this year we propose \$312,000, for an increase of \$57,000 made up in part by an addition of a half person. Health Insurance is up from \$16,000 to \$25,000; Utilities, for clients, has gone from \$12,000 to \$15,000; Rent had a significant increase from \$130,000 to \$150,000.

Mr. Neilsen asked since \$165,000 has been spent for Rent as of 10/30/06, will we do a special appropriation if it runs over \$150,000 next year. Mr. Santagate said yes, but we are trying to keep expenses down. We have seen a substantial increase in the number of clients as has the whole state and there is no obvious reason. Ms. Carr said from 2003-2006 there has been a 76% increase in clients. She expects it to go to 100% by the first of the year. In 2003 they had 815 applications and through today, they have had 1,438 for 2006.

A motion was made by Mr. Austin and seconded by Ms. Cutts to tentatively approve the Welfare budget of \$312,841.00.

Ms. Cutts asked if the increase in staff would control costs. Ms. Carr responded that it might as additional staff would help provide needed follow-up.

Mr. Regan asked if we had another person can we turn more away. Ms. Carr responded that it was more a matter of finding additional resources and follow-up. Mr. Neilson stated that it probably wouldn't be a 1-1 ratio but word would get out that there is greater scrutiny.

Ms. Cutts commented that the primary goal should be program management.

Ms. Carr states that we are the only City in the region and the only community with services and support, so we see more applicants.

Mr. Santagate said \$43,000 was collected this year from prior clients on a \$255,000 budget and that through the efforts of Ms. Carr and the Claremont police, several fraudulent welfare claims were successfully prosecuted in 2005.

Motion carried 6-0.

Policy

Ms. Walter said this budget is up 4.22%; Retirement makes up 21% of that increase.

A motion was made by Mr. Austin and seconded by Mr. Regan to tentatively approve the Policy budget of \$339,408.00.

Mayor Pope asked if the \$4,000 in Misc Expenses – Board Requests is for the Master Plan. Ms. Walter said one of the first things we have to have is current zoning maps and our hope is to take the money in this year's budget for that. We went out to bid, but got only one bid and it was too expensive so, we'll have to rebid.

Mr. Regan asked about the Health Insurance. Ms. Walter explained some employees went from the family plan to the 2-person plan.

Ms. Cutts asked about Part Time Expense of \$5,000. Ms. Walter said this is so we can hire a temporary person to scan policies, guidelines, ordinances and resolutions into the computer. Ms. Cutts asked about Purchase of Property. Ms. Walter said this holds the line item open in case we need it.

Mr. Neilsen asked about the Health Insurance being overspent for 2006. Ms. Walter said something was probably coded wrong in October. She'll check and do an adjustment.

Motion carried 6-0.

Finance (City Administration)

Ms. Walter said this budget covers Central Collections, Property Taxes and Vital Statistics, and Town Clerk/Tax Collector. Health Insurance is up 21% and Retirement is up almost 17% which accounts for \$30,000 of the \$40,000 increase.

Mayor Pope asked about Equipment M&R - Contractual Services. Ms. Walter said this is for the Munismart software (upgrade, maintenance and tech support) for 17 modules.

A motion was made by Mr. Austin and seconded by Mr. Swift to tentatively approve the Finance (City Administration) budget of \$814,909.00.

Motion carried 6-0.

Elections

Ms. Walter said this budget is up 106%. There is \$12,000 in Capital Reserve. Next year we want to put in voting machines, one in each ward which will cost \$19,500. In December, we will encumber about \$3,000, so most of the increase in the budget is offset by increased revenue.

Mr. Neilsen asked about the stipend paid to people manning the voting area. Ms. Walter said this budget has an increase in it for that. We typically budget \$5,000 per election and this year, we have budgeted \$6,000 for one election.

Mayor Pope expressed concern about voting machines (i.e. hanging chads). Ms. Walter said New Hampshire has one company that is certified and approved.

A motion was made by Mr. Neilsen and seconded by Ms. Cutts to tentatively approve the Elections budget of \$28,900.00.

Motion carried 6-0.

Maintenance (Municipal Complex)

Ms. Walter said this budget covers the personnel that clean and maintain this building, the Opera House and Conference Center. One of the biggest items is a 28% increase in Electricity (averages \$6,500 a month) and a 22% increase in Fuel (we typically use 28,000 gallons in a season). This year we will encumber some Building M&R so that we can paint the trim outside of City Hall in 2007. It is estimated to be \$38,000 - \$40,000.

Mr. Neilsen stated that the Conference Center is not usable at this time and Ms. Walter agreed.

Mayor Pope asked about Electricity. Ms. Walter said City Hall lighting has been redone by the Pay as You Save Program through Public Service of New Hampshire. We will see increased savings after five years.

Ms. Cutts thinks it is a waste to spend \$5,000 to heat the Conference Center. Ms. Walter said that due to the plaster walls and stained glass windows, the heat cannot be shut off. Ms. Cutts asked if we would occupy the building in 2007. Mr. Santagate said it was a gift to the city with covenants on it. We have other buildings needing to be fixed and we have to set our priorities. We need to know what it will be used for before we can develop a plan to make it come into compliance.

Ms. Cutts said she doesn't know what it would take to bring it up to code, but businesses would be willing to pay for conference space. She sits on the Historic District Commission and she

suggested they look at grants to help with it. Mr. Santagate said it would be worth looking into when it's the right time.

Ms. Walter said this department generates \$52,000 in revenue due to the District Court Lease (\$47,000) and outside details for the Opera House.

A motion was made by Mr. Swift and seconded by Mr. Austin to tentatively approve the Maintenance (Municipal Complex) budget of \$307,879.00.

Motion carried 6-0.

General Services

Ms. Walter said the majority of things in this budget are used by all city departments, so the costs are shared. It is down 4.1%. The Legal line item is for ongoing issues. This is the budget that has the CCTV (Claremont Community Television) Pass Through. We still don't have a signed contract from Comcast, yet. We estimate yearly revenue of \$120,000. This year \$18,000 will go back to the General Fund for the cost of negotiations. It is a "wash" account. Comcast starts paying 45 days after the end of each quarter. Ambulance service is down \$3,000. The Retirement Reserve is down due to unfunded liabilities (excess sick time) being reduced. It is now down to \$300,000. One person is expected to retire next year.

Mr. Neilsen asked about the CCTV – Pass Through. Ms. Walter said this budget is designed to allow the Council to spend up to the amount in it as a "wash." She feels there is no guarantee what CCTV gets. They should come before the Council with a budget and the Council should approve it.

Mr. Neilsen clarified that we do not have a contract and we don't know when the money will come in. The CCTV money runs out at the first of the year and there won't be any money to pay the CCTV Executive Director's salary, so he said the Council may have to decide to fund it until the money comes in. The other issue is that subscribers believe the franchise fee goes to the cable television. Ms. Walter said the franchise fee is to allow the cable company to use City land and property. Mr. Santagate said it could be used to improve cable fiber optics rather than give it to CCTV. Ms. Walter said it can be given to CCTV with a caveat of what programs will be provided. She thinks they should present their plan for spending the money to the Council. They have been told to plan to present a plan.

Mayor Pope said that a motion was made on February 26, 2003, to return the \$18,000 to the General Fund. He voted against the motion.

Ms Cutts said, in her opinion, that Keith Druhl, Executive Director of CCTV, is an icon in mentoring kids. Ms. Walter said part of his salary comes from CCTV and part from the school. Ms. Walter cautioned about up-fronting the money. Our revenue is based on subscribers. Ms. Walter said the contract will not be retroactive to July. We will get 5% revenue from Comcast.

Mr. Swift asked about Overlay. Ms. Walter said this is an estimate of tax abatements given in the year. It comes out as net of the Property Tax Revenue.

A motion was made by Mr. Austin and seconded by Mr. Swift to tentatively approve the General Services budget of \$735,352.00.

Motion carried 6-0.

Revenues

Ms. Walter said Revenues are down significantly because last year we appropriated \$190,000 that came from Fund Balance to fund the city's share of the Sugar River Pedestrian Bridge. \$212,000 has to come from us; the year before we appropriated some of it. Last year we appropriated \$50,000 from the Retirement Reserve due to more people retiring. This year we won't have those Revenues, so they are down 24%.

Mr. Neilsen asked what was last year's tax rate and grand valuation. Ms. Walter said it was \$13.97 for the city's portion of the tax rate and \$578 million for the grand value.

Mayor Pope asked about PILOTS (Payment In Lieu of Taxes). Mr. Santagate said we tried to negotiate with the hospital (they are exempt), but were unsuccessful. Mr. Santagate said PILOTS go to help pay for fire and police protection.

A motion was made by Ms. Cutts and seconded by Mr. Regan to tentatively approve the Revenue budget of \$5,642,783.00.

Motion carried 6-0.

ADOPTING THE BUDGET

Mayor Pope gave an overview explaining a majority vote (4-2 in favor) would pass the budget and a 3-3 vote would equal a no vote.

Resolution 2007-1 Tax Anticipation Note – Public Hearing

Mayor Pope read the resolution into the record.

Mr. Neilsen asked if this replaces the previous Tax Anticipation Note (TAN). Ms. Walter said typically the first Resolution is the TAN allowing us to go out and borrow money. We haven't borrowed money in four years and in 2006, a TAN was not presented to the Council, however, when we were setting the tax rate, the County was having some issues and were concerned that the tax rate would be set late. We thought we might need to borrow money, so we came before the Council to approve a TAN in October. It will "die" on December 31st. There is a State law that would allow the Council to make that a boiler plate item and it would not have to be done again unless it was rescinded, but the Council has not approved it in the past. This TAN will allow us to borrow money in 2007, if needed.

A motion was made by Mr. Austin and seconded by Mr. Swift to adopt Resolution 2007-1 Tax Anticipation Note.

Mayor Pope opened the public hearing. No one spoke. He closed the public hearing.

Roll Call Vote: Motion carried 6-0.

Resolution 2007-2 Adopting the 2007 Budget for the City of Claremont – Public Hearing

Mayor Pope read the resolution into the record.

The numbers presented in the resolution were the proposed changes to include a 2% increase. They should have been the City Manager's proposed numbers.

A motion was made by Mr. Austin and seconded by Ms. Cutts to adopt the City Manager's Proposed budget.

Ms. Taylor said the Council needs to amend Resolution 2007-2 that is before the Council to substitute the City Manager's proposed budget and to vote on that amendment before deliberations start.

Mr. Austin withdrew his motion.

A motion was made by Ms. Cutts and seconded by Mr. Austin to substitute the City Manager's original proposed budget for Resolution 2007-2 as presented tonight.

Mr. Regan restated his earlier comments saying the proposed cuts would have little effect on the tax rate and he proposed to give back the Police and Fire cuts.

Ms. Taylor recommended the Council vote on the motion to amend the resolution, so they actually have a budget to vote on.

Motion carried 6-0.

Mr. Neilsen said the net result of the \$61,500 cut is just pennies on the tax rate, so he is glad to see the original numbers.

Mr. Austin would like to take back the cuts that were suggested during the tentative approval for the Library.

Ms. Cutts talked about the "edits" for the tentative budget approval and said the risks of the cuts outweigh the benefit.

Mayor Pope asked about the two increases in the General Fund Revenues. Ms. Walter said they are a cut on the tax rate and decrease the projected tax rate to 2.7% instead of 3%. That would have to be an amendment for a total Revenue of \$5,670,048.

Mr. Swift restated that this 2% increase does not affect the overall operations of the City and these numbers are covering what is going on. He acknowledged the Police and Fire reductions are large, but they had input. He is in favor of keeping the cuts to the expenses and increasing the revenue. He doesn't see this as impacting a large contingent within the City.

Mayor Pope would not like to cut the Police and Fire budgets, but the Revenue side needs to change.

Mr. Neilsen supported encumbering the \$30,000 Social Services money that was not spent in 2006 and not adding \$30,000 to the Social Services for 2007. Mr. Regan agreed.

Ms. Cutts stated that this is a tight budget and in light of all the efforts at revitalization, this is not the time to stop growing the city.

A motion was made by Mr. Austin and seconded by Mr. Regan to adopt Resolution 2007-2, Adopting the 2007 Budget for the City of Claremont, as amended.

A motion was made by Mr. Neilsen and seconded by Mr. Austin to amend the budget by cutting \$30,000 from Outside Agency for a total of \$30,000 and increasing Revenues by \$27,265 for a total of \$5,670,048 for a total budget of \$15,092,598.

Ms. Walter said the impact on the tax rate of the budget as amended is 2.36% which would be a \$0.1294 increase on the tax rate per \$1,000.

Motion carried 5-1 with Mr. Swift voting no.

Mr. Swift made a motion to cut an additional \$31,500 from the proposed amended budget for a total of \$15,061,098 and Mr. Neilsen seconded for discussion.

Mr. Neilsen asked what an additional \$31,500 cut will do. Mr. Santagate said it won't be a show stopper, but Fire and Police voiced their concern about those cuts. He supports cuts that were proposed, but doesn't like it.

Mr. Regan proposed to put back the \$11,900 in the Fire and Police budgets. Mr. Swift said he would not support the cuts if they affected people, but these are non-people oriented cuts and he will not change his motion.

Mr. Austin thought the budget was really tight. He had a concern about drug enforcement and doesn't think it needs to be cut. Chief Chase brings in money and cutting his budget would be an insult to him.

Motion for an additional cut of \$31,500 failed 1-5 with Ms. Cutts, Mr. Austin, Mr. Regan, Mr. Neilsen and Mayor Pope voting no.

At \$15,092,598, Ms. Walter said the new tax rate will be \$12.94 versus the original \$13.01.

Mayor Pope opened the public hearing.

Jacqueline Elliott thanked the Council members for being present. She said the Wheelabrator tax issue is convoluted and it goes back to a series of legislative pieces passed beginning in 1999. The Wheelabrator Incinerator in Penacook is not having this legislation apply in the same manner (tax-wise) as our Wheelabrator is. It is not the Project taking action, but somehow legislatively laws were put in place to allow Wheelabrator to apply for tax abatement. She said it is directly linked to school funding. She hopes the CCTV and Comcast issue is cleared quickly. She talked about token budget cuts and the main issue continuing to be budget and spending growth and the tax burden being placed predominantly on property owners. This really has not been addressed. She was wondering what we are getting for the taxes. An area of apprehension for her is the Public Work's lack of vision and creative planning for Claremont's future regarding waste management.

Judy Moriarty is concerned about closure of the transfer station. She was wondering how this figures into the eminent domain argument. She talked about town taxes that are listed online and was happy to see them going down. She talked about welfare and employers leaving the state. She talked about Manchester's tax reduction and that they have 70 different nationalities in their town. The issue with her is the Wheelabrator. Legislation has been put in place in Concord that affects us by hundreds of thousands of dollars. The Wheelabrator assessment of \$2.7 million from DRA (Department of Revenue Administration) is not a part of the court case according to Project Attorney Meyers. In the beginning, it was assessed at \$14.7 million with \$438,000 in taxes. With the NH/VT Solid Waste Project ending, the DRA will collect the property tax under the state education funding plan. In the meantime, DRA has decreased the assessed value of the property by \$12 million. According to a news article, Claremont could lose \$200,000 in education revenue. She asked who makes up for the reduction in taxes from the Wheelabrator. She noted we paid their taxes for 20 years, why should we now have to subsidize Wheelabrator.

Mayor Pope closed the public hearing.

Roll Call Vote: Motion carried 6-0.

Resolution 2007-3 To Adopt the 2007 Water & Sewer Division Budgets for the City of Claremont – Public Hearing

Mayor Pope read the resolution into the record.

A motion was made by Mr. Austin and seconded by Mr. Regan to adopt Resolution 2007-3 To Adopt the 2007 Water & Sewer Division Budgets for the City of Claremont.

Mayor Pope opened the public hearing. No one spoke. He closed the public hearing.

Roll Call Vote: Motion carried 6-0.

Resolution 2007-4 To Adopt the River Road Tax Increment Finance District Budget for the City of Claremont – Public Hearing

Mayor Pope summarized the resolution.

A motion was made by Mr. Regan and seconded by Ms. Cutts to adopt Resolution 2007-4 To Adopt the River Road Tax Increment Finance District Budget for the City of Claremont.

Mayor Pope opened the public hearing. No one spoke. He closed the public hearing.

Roll Call Vote: Motion carried 6-0.

Resolution 2007-5 To Adopt the Downtown Tax Increment Finance District Budget for the City of Claremont – Public Hearing

Mayor Pope summarized the resolution.

A motion was made by Ms. Cutts and seconded by Mr. Swift to adopt Resolution 2007-5 To Adopt the Downtown Tax Increment Finance District Budget for the City of Claremont.

Mayor Pope opened the public hearing. No one spoke. He closed the public hearing.

Roll Call Vote: Motion carried 6-0.

ADJOURNMENT

At 9:51 p.m., a motion was made by Mr. Swift and seconded by Mr. Austin to adjourn.

Motion carried 6-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council