

The Claremont City Council held a meeting on Wednesday, November 8, 2006, in the Council Chambers of City Hall.

Members of the Council present were:

Michael Prozzo, Jr.  
Deborah Cutts  
Assistant Mayor Christopher Irish  
Mayor Scott Pope  
Andrew Austin  
William Regan, III  
James Neilsen, IV

Absent Members:

Heather Bopp  
Ralph Swift

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.

#### **MAYOR'S NOTES**

Mayor Pope thanked Senator Sununu's office and Senator Odell for the flag raising ceremony at the Moody Building. He congratulated the winners in the election, Raymond Gagnon, Tom Donovan, Larry Converse, John Cloutier, Ellen Nielsen and Senator Robert Odell.

#### **REPORT OF THE SECRETARY**

**A motion was made by Mr. Prozzo and seconded by Ms. Cutts to accept the minutes of the August 23 and October 11, 2006, City Council meetings.**

**Motion carried 7-0**

#### **APPOINTMENT TO BOARDS AND COMMITTEES**

None

## OLD BUSINESS

### Skateboard Park

Scott Hausler, Parks and Recreation Director, spoke on behalf of Team Slide and Parks and Recreation. He talked about the concept and project plan for the proposed skateboard park. He said without a skate park, downtown becomes a skate park. There is a city-owned site available for the park. It is close to the city center and has limited residential impact. They have taken steps to design the park. They have reviewed floodplain issues and site access. The Traffic Advisory Committee agreed that a right turn entrance and a right turn only exit will work. The structure will be out of the 100-year flood-plain zone. In addition to a skate park, the area could be home to other uses (i.e. playground). He showed designs from several companies including landscaping. He estimated the budget would be: site development, \$30,000 – \$50,000; equipment \$50,000 - \$60,000; and annual grounds maintenance \$3,350 May - October. He reviewed insurance (using Primex), skate park rules/usage (helmets and pads required), equipment durability (15 to 20-year warranty). They are seeking the Council's endorsement to proceed with the plan.

Ms. Cutts asked about fencing on the water side of the area and restriction of use in the area. Mr. Hausler said it is common to have a 100-foot setback from the river where nothing will be allowed. There will be guardrail fencing installed.

Mr. Irish asked if this will be a city-owned operation and Mr. Santagate confirmed. Mr. Irish asked about lighting and the continuing cost. Mr. Hausler said that lighting has not been addressed at this time. Mr. Irish asked about the legality of requiring the wearing of a helmet. Mr. Hausler said the insurance carrier requires that rule to be posted.

Mr. Austin thought the site costs were conservative and asked for a breakdown of them. Mr. Hausler said he will get more information. The vendors have based their costs on a 100 foot x 80 foot pad. Mr. Hausler said he thinks we can do some site work internally and have some in-kind work which would save on the cost.

Mr. Regan asked about the cost for the pad site. Mr. Hausler said it is part of the site development. Mr. Regan asked about the playground and parking costs. Mr. Hausler said the budget for site development consists of the pad, fencing, access to the site, and guardrails. Mr. Regan asked if blacktop is included. Mr. Hausler said no.

Mayor Pope said the roadway was a concern and he asked to make sure there would be appropriate signage.

Mr. Hausler said the road may have to be widened at the top.

Mr. Irish asked where these costs were budgeted. There was discussion about the \$75,000 that had been discussed in a previous meeting. Mr. Santagate explained that the \$30,000 in the 2006 Community Services line item had not been spent yet and there was \$30,000 in the 2007 budget

for Community Services. The choice is to encumber the 2006 money and have \$60,000 available next year or use that money, as intended, for Community Services and take \$75,000 out of surplus for the skate park.

Mr. Irish said he knows of two organizations who are interested in some of the Community Services money and it was not intended for just one organization, so as far as he is concerned, it is not available for the skate park.

Mayor Pope said he would like to see the \$30,000 encumbered for the skate park. Mr. Santagate said the money can be carried over by resolution in January.

Mr. Neilsen recapped that last year \$30,000 was set aside for community projects. A committee was established, guidelines were not finalized and now we know of groups who would have applied for funds. He asked what kind of precedent is being set if we roll the money back and do nothing or encumber the money for the skate park. Mayor Pope said the guidelines were done and disapproved and no new guidelines brought forth.

Mr. Prozzo said the money should go back into the budget and we should start over next year. He asked for a clarification of what the total cost of the skate park will be. Mr. Hausler said that if endorsement is received for the site, final numbers can be gotten. Mr. Prozzo thinks this is an appropriate site.

Ms. Cutts asked about tax exempt status. Mr. Hausler said an account has been set up for the skate park.

**A motion was made by Mr. Neilsen and seconded by Mr. Regan to endorse the site (map and lot 108-125) as proposed tonight as a future site for a skate park and look forward to bringing back more firm numbers for development of a skateboard park.**

Mr. Irish asked about an indoor skate park at the new community center. Mr. Hausler said it does not have an indoor skate park within that financial proforma; it was a concept and is not on the current plan.

**Motion carried 7-0**

Larry Beswick said the purpose of coming before the Council was for the original donation of \$75,000 from the city and the skate group would raise the rest.

Ms. Cutts asked the group to put the information out as to where donations can be made. Mr. Beswick said they would. Ms. Cutts said if they wear helmets, she'll give money. Mr. Beswick asked how to get the \$75,000 into the account.

Boston Post Cane

Mayor Pope said a business in Peterborough makes replicas of the Boston Post Cane for \$105. He said an anonymous donor will pay for the first one and an anonymous donor will build a cherry and glass case for the original cane so that it may be stored in a place of honor by the City. This is a 70-year tradition and traditions are important to him. The replica cane will stay with the family and a new replica cane will be awarded each time.

**A motion was made by Mr. Prozzo and seconded by Mr. Austin to accept the donation of \$105 and the display case.**

**Motion carried 7-0.**

Ordinance #478 Amending the Non-Union Employee Classification Plan – Second Reading – Public Hearing

Chief Scott gave an explanation of the proposed action. This is for two positions, a full-time Police Attorney Prosecutor and a part-time Police Information Systems Coordinator. These will not create additional positions beyond the 24 sworn law enforcement personnel allotted for full-time positions. Creating this new part-time position would result in elimination of a part-time Police Officer position.

**A motion was made by Mr. Neilsen and seconded by Mr. Regan to adopt Ordinance #478 Amending the Non-Union Employee Classification Plan.**

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

**Roll Call Vote: Motion carried 7-0.**

Mr. Santagate stated he will not accept the \$10,000 bonus authorized by the Council, because this is a difficult tax year and he does not want to add to any tax burden. He thanked the Council for recognizing the progress we've made.

Mr. Santagate said the assessed values in 2001 were \$500 million. In 2002, appraisals were done on Washington Street where the properties were being assessed at about 74%. In 2003 and beyond, on River Road, industrial sales were up and the values increased. The reason for the reassessment is equity. In 2004 and 2005 mobile homes and downtown values were increased. He showed the 2006 tax rate breakdown: City - \$9,114,713, \$12.64 per thousand, 40%; Schools - \$10,464,577, \$14.37 per thousand, 45% and they get the 8% collected by the State; County - 7%.

Mr. Santagate showed comparable 2005 average residential assessed values (based on sales from the prior 12 to 18 months): Claremont \$85,000, Hooksett \$176,000, Somersworth \$182,000, Milford \$203,000, Lebanon \$250,000 and Durham \$284,000. This showed Claremont was on the low side. State law says properties must be assessed between 90% and 110% of sale value.

In 2005, the average residential tax bill was: Claremont \$2,977, Somersworth \$3,529, Hooksett \$3,861, Lebanon \$5,070, Milford \$6,528 and Durham \$7,423.

By adding 40% value to Claremont's 2006 residential values Claremont would be at \$3,783 which is still lower than four of the 2005 average tax bills.

## **CITIZEN'S FORUM**

Cheryl Jones, Ward 3, 130 Maple Avenue, said she was astounded by the amount of her tax bill. She claims the property tax was raised because Claremont needs to increase the school tax amount. She thinks the July 1<sup>st</sup> bill should have been half of the expected increase or the entire increase should have been on the 2007 tax bill and homeowners should have been notified of the increase by mail. She said they should be allowed to make payments without interest charges.

Paul Magoon said the tax burden on residential property owners is excessive and the timing is most unfortunate. He thinks the rate is too high. His taxes on his ranch house went up \$1,200. He thinks we will drive people out of Claremont. He has no quarrel with the assessed value. He thinks the burden is strictly on the homeowner, the tax rate is too high and the tax structure is wrong.

Judith Moriarty said this is not a boutique town. She talked about incomes not going up as much as the property taxes increased. She talked about citizens not being able to retire due to cost of medications and taxes. She talked about several issues including the incinerator and that citizens can't afford shark loan interest.

Joe Osgood, Ward 2, thinks the emphasis should be placed on people who can't pay the taxes. He thinks property owners should pay what they expected and then spread the rest over six months and the interest be abated.

At 8:02 p.m. Mr. Prozzo stepped out and returned at 8:04 p.m.

Mr. Osgood talked about Claremont's assessed value. If legislators agreed that a statewide property tax was the fairest way to pay for educating children, then Claremont's taxes will come into line. He said people would gladly sell their house for the assessed value. Most of our taxes go toward education. He said to tell the State Legislators that we need a state-wide property tax.

Mayor Pope is hoping to get an answer about the possibility of abating the interest.

Pierre Bourke, Ward 2, has a 60 foot x 80 foot lot that is now assessed at \$42,000. The land has increased by 5.8% from last year. His bill will go up by \$1,500 and that is a lot to pay in 30 days or 6 months. He is willing to sell his lot for its assessed value.

Lloyd Stockwell, Ward 1, thinks it is not fair to give such short notice to pay the tax bill and we need to do something about it. To compare with Lebanon may be unfair because they have an

industrial base that Claremont does not. He wanted to know what we get for the increase. He asked if Chase Street (where he lives) will be paved.

David Belisle, Ward 3, is not disputing the assessment. He is disputing the way the City is doing it and what they are doing. He quoted portions of New Hampshire Statutes, Chapter 76, "all property taxes shall be assessed on the inventory taken as of April 1." He checked his assessment in October and it had gone up \$23,000, but State law says it can only change in April. He quoted RSA 75:8a saying that the annual appraisal requires notice of the change. He believes the appraisal is accurate, but must go on the June 2007 tax bill. He wants justification why the rate went up over \$3.

Mr. Santagate said that doesn't apply. You have to read the whole State law. The State has to approve our figures. The Assessing law is State law. If you reassess every 3<sup>rd</sup> year, a notice is not required. We have a calendar year budget (January 1 through December 31). We are required to submit our budget by November 1<sup>st</sup>. We have to make a lot of assumptions about next year and we have to make educated guesses 14 months ahead of time. We have to estimate the assessed value as of April 1<sup>st</sup> of next year. The tax rate that was set 3 weeks ago is retroactive to January 1<sup>st</sup>. He explained that if a person is 65 years or older, we can work out a deferment plan at 5% interest and we can give up to 85% of the value of the property. If the assessment is in error, apply for abatement.

Mr. Neilsen asked if we can abate the interest and set up a payment plan. Ms. Walter said she believed the annual interest rate of 18% will apply after 60 or 90 days, she will check. Mayor Pope will call the New Hampshire Municipal Association to check with them.

Svend Filby, Sunapee, owner of Fitch Manor on Myrtle Street which is a 24-unit apartment building in Claremont, said he paid \$875,000 for the property and his tax bill is \$23,000. He got a bill for an additional \$3,000 and the increase will be passed on to the tenants, most of whom are elderly and live on a fixed income. He is asking the City to trim the budget.

Duane Hickey, 138 North Street, Ward 3, said the value of his property increased ten times, from \$9,300 to \$60,900 (it is zoned as a business). His tax of \$3,418 is due by December. He will sell his house as soon as it is sided.

Jeff Barrette, Ward 1, loves Claremont. He bought his house in 2000 and the taxes were \$2,600. This year they are \$5,400. He thinks that doubling taxes would equal getting a new school. He doesn't understand how this can be done. There are towns in Sullivan County that have half our tax rate and yes, their property values are probably 50% higher. The math doesn't work.

Donna Montenegro, Ward 1, said the 2005 Average Residential tax bill and the assessed values don't add up. She referred to the Wheelabrator tax assessment that went from \$13 million to \$4 million and asked who would make up the difference.

Mr. Santagate gave a brief explanation of the Wheelabrator assessment. The City assessed it at \$13 million for the tax year 2004 and the Department of Revenue assessed it at about \$2.5

million. In the 17<sup>th</sup> year of the NH/VT Solid Waste Project, the value was challenged. When Wheelabrator takes over the incinerator in the next year, they will be the benefactor of any tax reduction that is acquired by the Project. We have denied their application for abatement. It is now in Sullivan Superior Court. If the City is not successful, it would be devastating. We have not lowered the value.

Lisa Bundy, Ward 2, asked what a standard deviation is. Mr. Santagate said we have to meet the standard deviation in each subgroup. She asked why no research has been done on what the City can and cannot do. She thinks it is a courtesy to notify taxpayers of this kind of increase. It was mentioned that we don't have the industrial base of other towns and she doesn't think residents should suffer because industry is not coming here. She asked what we are getting from this and would recommend there be some way that residents don't have to come up with this increase in 30 days.

Ms. Cutts advised mistakes can be made and property owners should look at the tax card to make sure it is correct.

Joe Simoneau, Ward 3, believes the City should stop spending. There is too much money wasted. The tax rate is the 2<sup>nd</sup> highest in the State in 2005 next to Berlin. He thinks people will not take care of their property because of the tax increase. He expressed concern that he gets no feedback during Citizen Forum.

Mike Demars, Ward 3, owns property on North Street, and his property taxes increased over \$2,200. The land, purchased in 2001 for \$29,000 is now assessed at \$88,000 and he would like to know what has changed. He thinks the City budget should be increased no more than 3%. This is creating a deterrent to new business and housing starts.

Scott Quintey, Ward 1, has heard about elderly people on fixed incomes, but what about the handicapped people on fixed incomes. The abatement is for 65 years or older, what about those under 65? Mayor Pope said the disability exemption was increased last year and he suggested Mr. Quintey contact Mr. McMullen, Assessor.

Michael Collins, Ward 1, asked if the properties were physically checked as part of the revaluation.

Mr. Santagate said State law requires that every 10 years to make an attempt to enter 100% of the properties and assess them. It is very expensive. Any new building permits taken out are checked out. Every 5 years we have to be valued at 90-110%. During the interim years, we trend comparable sales. Mr. Santagate suggested Mr. Collins go to the Assessing office if he thinks there is an error.

Mr. Collins urged the Council to consider saying no to any increases in taxes or budgets.

Ernest Montenegro, Ward 1, said he was surprised at how civil the meeting is and he thinks everyone should be angry. He thinks abatement and an installment plan is absurd. He asked Mr.

Santagate what his increase was. Mr. Santagate said a couple hundred dollars. Mr. Santagate urged Mr. Montenegro to go to the AG's (Attorney General) office if he thinks there is anything underhanded going on. There was a rising discussion and Mayor Pope gaveled them to order. Mayor Pope said his assessment was increased by \$33,000. Mr. Regan said his assessment went up \$84,000 and his taxes were increased by \$1,600. Mr. Irish's assessment went up \$50,000 and his taxes went up \$1,000. Mr. Montenegro said he'll sell his house.

Alan Croteau lives on Carter Street and is looking to build a house on Winter Street. He asked if there are any new businesses (Home Depot, Claremont Savings Bank, etc.) paying taxes now. His biggest concern is without economic development we'll stagnate. Higher taxes will affect our ability to bring business to Claremont. Mr. Croteau is in real estate and he noted that when the tax bills came out, there were 81 houses on the market compared to 55 last year.

Ms. Walter said the actual Grand List increased by 25.96% last year. If you compare the tax rate to what the 2006 bill would have been (if the assessed value had not changed), the tax rate is down 17%.

Gary Osgood, Ward 2, Prospect Street, appreciates the Council and City Staff for the economic health and image in Claremont. His property is worth almost double what it was five years ago. He understands if we want outside people to invest in Claremont, we must invest in our own infrastructure. Instead of a statewide property tax, he suggested we have a tax on income, which would be based on the ability to pay.

Kyle Messier, Ward 1, has been watching the budgets over the last three years and feels it hasn't gone up a lot. She thanked Anthony Lyons for his work on Main Street. The work on the mills will help our economic development. She is working on a dental center. Mr. Lyons and his staff have been very helpful with that project. She wishes Mr. Lyons well and will miss him. She thinks Mr. Santagate deserves his bonus. According to her calculations, his bonus of \$10,000 would cost her family a grand total of \$2.06 for the year. She thinks the Council is doing the right thing. It's a slow road and we've hit a big bump. Currently, we are paying for everything with property taxes; we have to strive to expand the tax base. She is not happy with her taxes, but she realizes we are laying the foundation for economic expansion. She said Mr. Santagate is the right person to make that happen and she does not want to accept his \$10,000 bonus back.

Don LaPlume, Ward 1, Sensible Mortgage Solutions, spoke on behalf of the Chamber of Commerce and Main Street Claremont. They want to talk about signage and banners on the January agenda.

Charles Come, Ward 3, asked about 911 numbering enforcement. He makes deliveries and 40-50% of the properties not marked. He asked Mayor Pope who is in charge of enforcing the law.

Mr. Santagate explained the 911 changes were difficult. Notices have been sent to property owners. It has to be decided where to use the city resources (i.e. police). The question is how far they can go on private property. Notice can be given when water meters are read. We're trying

to get people on board without taking legal action. Mr. Come would like the Mayor to discuss this with Mr. Santagate.

Mayor Pope asked Tom Donovan to look into the idea of deferring the tax payments and interest. Mr. Donovan said he will meet with Mr. Petell. Mr. Donovan said the problem is our median income is lower than other communities and citizens cannot afford it.

Jim Neilsen, Ward 1, 9 Bank Avenue, stepped down from the Council table to talk about a letter (Settlement Agreement Between United States of America, the City of Claremont, New Hampshire, the Department of Justice Complaint #204-47-50) that was found on the [www.ada.gov/claremont](http://www.ada.gov/claremont), website. According to this letter, there are 19 things that the City is to come into compliance with at the Visitors Center. Mr. Neilsen wanted to know why the Council was not told about this by the City Manager.

Mayor Pope said it would have been better for Mr. Neilsen to bring this up as a Council issue.

There was some discussion between Mr. Irish and Mr. Neilsen about Mr. Neilsen criticizing the Council. Mayor Pope gaveled the discussion to bring it back to order.

According to Mr. Santagate, the Justice Department said the Visitors Center was non-compliant with ADA (Americans with Disabilities Act) three years ago. When it was built, it was out of compliance. Three years ago Anthony Lyons, Planning and Development Director, put the ADA compliance issues into his budget. Those budget items have been approved by the Council for the last two years. Ms. Walter also talked about the Visitors Center ADA compliance in the 504 Plan that was done this summer. Ms. Walter said that both years when she came before the Council for the Encumbrance Budget, it was explained to the Council. There is money in this year's budget to finish up.

Ms. Cutts supports Mr. Neilsen's desire that the Council should get up-to-date information and the Council should feel free to contact Mr. Santagate to get questions answered. Mayor Pope supports that.

## **NEW BUSINESS**

### Ordinance #479 Streets, Sidewalks and Other Public Places – First Reading

Ms. Taylor said the wording of Section 16-103 of the Claremont City Code says we have to designate streets, signs, numbers, etc. for access ways that serve two or more primary buildings or vacant lots. This would mean an access way would have to be named for houses with shared driveways. The goal is to name an access way with three or more primary structures.

Peter Chase, Fire Chief, said if the ordinance stays as is, 50 or 60 common driveways would have to be named. We have only named one at this time and we will leave that one.

**A motion was made by Mr. Prozzo and seconded by Mr. Austin to adopt Ordinance #479 Streets, Sidewalks and Other Public Places on first reading.**

Mayor Pope read the ordinance into the record.

**Roll Call Vote: Motion carried 7-0.**

Acceptance of \$2,500 Gift from Wal-Mart for Firefighter Safety Equipment

Chief Chase said Wal-Mart has a program called America's Heroes Program. They donated \$2,500 in cash to the Fire Department to be used for firefighter safety equipment of our choice.

**A motion was made by Mr. Regan and seconded by Mr. Prozzo to accept the \$2,500 gift from Wal-Mart for Firefighter Safety Equipment as a restricted donation with our thanks to Wal-Mart.**

**Motion carried 7-0.**

**BUDGETS**

Budget Overview

Mr. Santagate gave an overview of the 2007 budget. Last year we paid off the 1995 bond and allocated that money to increase the allowance in the streets and roads paving budget to \$712,000. Combine that with the road bond payment and we have \$1 million for roads per year. We have a staffing request to increase a part-time person in the Welfare Department to a full-time person due to increased cases. We have doubled the amount for Sidewalks and added 33% to the Signs and Street Markings budget. Health Insurance went from \$1.530 million to \$1.757 million, an increase of \$226,631 or 14.81%, Street Inventory/Pavement Management is up \$212,000 or 42.40% (not including the bond), Retirement is up \$70,731 or 14.78%, Welfare is up \$35,510, Rents & Leases (copiers & vehicles) is up \$22,895, Heating Fuel is up \$13,106, Sidewalks is up \$10,000, Signs and Street Markings is up \$10,000, for a total increase of \$600,873.

The 2006 tax rate is \$12.64, the projected 2007 tax rate (set in October 2007) is expected to be \$13.02 which is an increase of \$ .38 or 3.0% calculated with little anticipated increase in property values. The total requested budget for 2007, for the City, is \$15,122,598, less Debt Service and Capital/Lease Items \$1,805,022; total available for Operating Expenses is \$13,317,576, and the percentage of total budget to Capital/Debt/Lease is 11.94%.

Where City tax dollars will go in 2007: Public Works 28% (not counting Water & Sewer Enterprise Systems which are not on the tax rate), Fire & Police 30%, Culture & Recreation 9%, Debt Service 8%, Development 8%, General Services 15%, and Health & Welfare 2%.

Assessing

Mr. Santagate said in 2006 the Council approved \$266,159 and in 2007 \$275,558 is proposed. The difference is \$9,399. The major items are: Health Insurance up \$3,300, Map Maintenance up \$1,500, GIS Mapping up \$2,500, Retirement up \$1,500, and Consulting Services down \$1,000. Ms. Walter noted that Assessing generates \$136,000 in revenue.

Mr. Austin asked about Training & Employee Development: spent \$4,877.64 this year, but only requesting \$3,000 for 2007. Mr. Santagate said there are cycles and they can live with a reduced budget.

**A motion was made by Mr. Austin and seconded by Ms. Cutts to tentatively approve the Assessing budget of \$275,558.00.**

Mayor Pope asked about Consulting Services. David McMullen, Assessor, said it is for a timber forester and for outside experts for a second opinion on special purpose properties.

There was a discussion about the Map Maintenance and GIS Mapping line items. They are to keep the complicated GIS website up-to-date and running smoothly.

**Motion carried 7-0.**

#### Library

Mr. Santagate said in 2006 the Council approved a budget of \$412,621.00 and in 2007 we have requested an increase of \$20,000 to \$432,092.00. The increase is made up of Part Time \$1,000, Retirement \$2,000, Health Insurance \$4,000, and Books \$5,000.

There was a discussion about the Electricity and Fuel Oil line items. They are estimates and could be cut back.

Mayor Pope asked about Books (2006 Approved \$42,000, 2007 Requested \$50,000 and 2007 Proposed \$47,000). Mike Grace, Library Director, said demand is up and we need to keep the collection new and fresh. Mayor Pope asked how much impact \$5,000 would be. Mr. Grace said that would put 250 more books on the shelf.

**A motion was made by Mr. Austin and seconded by Mr. Regan to tentatively approve the Library budget of \$431,092.00, cutting \$500 from Fuel Oil and \$500 from Electricity.**

**Motion carried 7-0.**

Per Ms. Walter, to reduce the tax rate by \$1, the budget has to be reduced by \$728,199.

Fire

Mr. Santagate said the amount approved by the Council in 2006 was \$1,801,192, and the proposed increase for 2007 is \$124,702 or 6.9% which is primarily due to added Personnel, and a big increase in Health Insurance, \$66,000, 24%. Peter Chase, Fire Chief, said the other piece is a firefighter was added in June 2006 and will be on the payroll for a full year in 2007.

There was discussion about Traffic Lights which is currently overspent. Power spikes (dirty power) are considered “acts of God” by the insurance company so when the power spikes and damages a controller (even though they are triple protected), we have to pay to repair it. It would cost approximately \$7,500 to protect a controller from low voltage power spikes and there are 17 intersections. It’s expensive so we take the risk of not adding the extra protection. This year we had a \$4,000 hit on Washington Street. Mayor Pope suggested it may be worth looking into protecting the intersections in the future.

Mr. Austin asked about the Rents & Leases increase. Chief Chase explained it was the additional vehicle purchased this year.

**A motion was made by Mr. Prozzo and seconded by Mr. Austin to tentatively approve the Fire budget of \$1,925,924.00.**

Mr. Prozzo noted that even though the Fire Department is still short-staffed, the Overtime line item is down \$10,000 and he commended Chief Chase on his work.

Mr. Regan asked and Chief Chase responded that between the Airport and the Fire Department \$3 million in grants have been received over the last three years.

Mayor Pope asked about Machines & Equipment. Chief Chase said that it costs \$3,500 for turn out gear for each new call fire fighter. It also goes for fire hose at \$7 per foot for 1,000 foot lengths.

Mayor Pope asked about Public Fire Protection. It is for fire protection in the rural areas and everyone shares the cost.

**Motion carried 7-0.**

Airport

Mr. Santagate said this is a small operation. The budget is down \$7,000, 7%, mostly due to gas prices decreasing by almost \$7,500.

Chief Chase said 2007 is the first year the airport will operate in the black. We make approximately 50 cents a gallon on gasoline. Without gasoline, it’s a \$21,000 budget. We will receive \$5,400 more in revenue this year due to the \$14,400 rent from the new hangar. Our

contribution to the \$500,000 federal grant was \$12,250, so our return on investment is less than one year.

Mayor Pope asked about Cable TV. Chief Chase said it is to monitor the Weather Channel as required by the FAA (Federal Aviation Administration).

**A motion was made by Mr. Prozzo and seconded by Mr. Regan to tentatively approve the Airport budget of \$94,365.00.**

**Motion carried 7-0.**

### Police

Mr. Santagate said the Police budget is up almost \$100,000 or 5%. A large portion of the increase, over 59%, is Health Insurance. Retirement is up \$17,000 and Salaries is up \$34,000.

Ms. Walter explained that Health Insurance changes may be because a single person may leave and the replacement may have a family.

Mayor Pope asked about the Prosecutor. Police Chief Alex Scott responded that it allows for the same number of people (24) overall. Currently, a full-time employee and a part-time employee work on prosecution. The Prosecutor will replace 1 ½ so there will be a ½ position “boots on the ground.” He expects to be fully staffed by February.

Mr. Austin asked about the cut in gasoline. Chief Scott said the budgeted price went from \$2.75 per gallon last year to \$2.50 per gallon this year.

Mr. Austin asked about the cut in Drug Investigations. Chief Scott said that is seed money for investigative work. Restitution is made from sale of seized properties used in drug sales. Money comes back into a restricted account for drug enforcement activities. Currently, there is \$55,000 in the account for drug enforcement investigations. Mr. Prozzo noted that a drug investigation can cost \$10,000-\$15,000, so he requested that amount not be cut.

Ms. Cutts asked about Miscellaneous Expenses; this year’s budget is already overexpended, but the proposed for next year is less than what has been spent. Chief Scott said it takes care of pre-employment medical exams and lunch for an outside trainer during a training seminar. It is something that fluctuates.

Ms. Cutts asked about Fringe Benefit & Fitness Bonus. Chief Scott said it was a calculation and he believes it is sufficient.

Mayor Pope asked about Machines & Equipment. Ms. Walter explained this is year three of three for a lease for seven vehicles.

**A motion was made by Mr. Prozzo and seconded by Ms. Cutts to tentatively approve the Police budget of \$2,039,241.00.**

**Motion carried 7-0.**

Communications 911

Mr. Santagate said there was an increase of \$11,000 or 3.14%. Some items that affected it were: Health Insurance is up \$5,000, Retirement is up \$2,000, Part Time is up \$2,000, Overtime is up \$2,000, and Regular Pay is up \$500.

**A motion was made by Mr. Austin and seconded by Ms. Cutts to tentatively approve the Communications 911 budget of \$355,450.00.**

Mayor Pope asked about the cut in Furniture & Equipment. Ms. Walter said they did quite a few upgrades this year, so they will do less next year.

Chief Scott said the increase in Part Time is to allow a dedicated part-time employee to cover certain shifts.

Mayor Pope asked about Telephone. Chief Scott said this is for the telephones, pagers and cell phones.

**Motion carried 7-0.**

Social Services (Outside Agency Requests)

Ms. Walter said this is the same \$60,000 as was requested.

**A motion was made by Mr. Irish and seconded by Mr. Austin to tentatively approve the Outside Agency budget in the amount of \$60,000 using the same criteria for Social Services and reconvening the committee to develop criteria for Community Service agencies and encumbering the \$30,000 for Community Services Agencies in the 2006 budget for a total availability of \$60,000 for Community Service Agencies.**

There was a discussion about the \$30,000 Community Service Agencies money that has not been spent from the 2006 budget. The Council has until December 31<sup>st</sup> to spend the money unless it is encumbered or it will drop into Fund Balance. Mayor Pope is in favor of putting the money in Fund Balance if no guidelines are adopted. Ms. Cutts believes the money should be spent. Mr. Prozzo supports the 2006 money going into Fund Balance and having \$60,000 in the 2007 budget. Mr. Neilsen agreed with Mr. Prozzo. Mr. Regan would like to deal with the \$30,000 for 2006 at the December meeting. Mr. Irish agreed with Mr. Regan.

Mayor Pope said that if it is necessary, the 2007 Social Services line item can be cut.

**Mr. Irish withdrew his motion.**

**A motion was made by Mr. Prozzo and seconded by Mr. Regan to tentatively approve the Outside Agency Requests budget for \$60,000 (\$30,000 for Social Services and \$30,000 for Community Service Agencies).**

Mr. Irish suggested the motion be amended to budget only \$30,000 instead of trying to cut the Social Services line item.

Ms. Cutts wants the Council to work on the criteria in order to award the \$30,000 from the 2006 budget.

**Motion carried 5-2 with Mr. Irish and Mayor Pope voting against.**

Ms. Walter noted that the Gasoline revenue line for the Airport was anticipated to be \$71,765 instead of \$50,000 which drops the tax rate 2 cents to \$12.9983.

#### **CITY MANAGER REPORT**

None

#### **FUTURE AGENDA ITEMS AND DIRECTIVES**

Mayor Pope asked for the water issue in Mr. Neilsen's yard to be put on the December agenda.

#### **COMMITTEE REPORTS**

##### Solid Waste Committee

None

#### **ADJOURNMENT**

**At 12:10 a.m., a motion was made by Mr. Prozzo and seconded by Ms. Cutts to adjourn.**

**Motion carried 7-0.**

Respectfully Submitted,

Dorée M. Russell  
Clerk to the Council