

The Claremont City Council held a meeting on Wednesday, March 12, 2008, in the Council Chambers of City Hall.

The meeting was called to order by Mayor Cutts at 6:31 p.m.

Members of the Council present were:

Ward I Councilor David Roark
Assistant Mayor Andrew Austin
Mayor Deborah Cutts
At-Large Councilor Kyle Messier
Ward II Councilor Paul LaCasse
At-Large Councilor Robert Picard

Absent:

At-Large Councilor Thomas (Toby) Batchelder, III (Excused)

Also present were:

Guy Santagate, City Manager
Jane Taylor, City Solicitor

REPORT OF THE SECRETARY

Mr. Roark asked for a change in the February 13 Council minutes, page 16 under City Manager Report, second paragraph, second sentence, delete "and Mayor Cutts." Mr. Picard seconded. Mr. Roark also asked for another change on page 11, first paragraph, third line down, to include the word one (No one spoke.). Mr. Picard seconded.

A motion was made by Mr. Picard and seconded by Mr. Roark to accept the minutes of the February 13 and 18, 2008, City Council meetings as amended.

Roll Call Vote: Motion carried 6-0.

APPOINTMENT TO BOARDS AND COMMITTEES

None.

Mayor Cutts allowed Zoning Board Chairperson Mike Hurd, to speak. He said there is a request for one reappointment and for one alternate to move up. The board currently has two members and if someone cannot make the meeting scheduled in two weeks, they will not be able to hold the meeting. This is spring time and projects are going on. Applications for Robert Woodman and Carolyn Towle have been turned in. He asked to have these seats filled. He has been on the

Zoning Board for 20 years and in the last 10 years, he has not seen all of the seats filled at the same time.

Mayor Cutts noted Claremont has opportunities for volunteers on the boards and commissions. We need to solicit and encourage membership.

MAYOR'S NOTES

Mayor Cutts talked about the Roads Scholar Program. The training covers 31 topics including bridge maintenance, ethics, etc. She congratulated the following people for attaining Roads Scholar 1: Peter Companion, David Condon, Larry Miller, Todd Murray and Forrest Paronto; Roads Scholar 2: Ken Hamilton; Senior Roads Scholar: Henri Frechette, Terri Miller and Buddy Sweeney; Master Roads Scholar: James Hanson, Dean Hooper and Tom Woodley.

Mayor Cutts said she had gotten citizen feedback from Brenda Taite who thanked LaValley's for hiring 40 laid-off employees from CSI. A Forestry Management Project meeting will be on Thursday, April 10, 6:30 p.m., at the Claremont Middle School. She apologized for not having the Wheelabrator clarification issue on the agenda. Staff work is not done, but it is still being worked on. On February 9th John C. Lambert of Lambert Auto Sales received the Time magazine Auto Dealership Award of the Year. They were chose out of 19,500 dealers.

Mr. Austin said the Senior Center received a \$100,000 donation from a member who passed away. The money will be used to pay off the mortgage with some left over. The school budget will be lowering the property tax. He thanked Jacqueline Guillette and Allen Damren. He congratulated Messrs. Putnam and Napsey for winning their School Board seats.

Mayor Cutts said on March 22, 2008, the City of Claremont will honor three retiring firefighters: Firefighter Hackett (10 years of service); Lieutenant Raymond (20 years of service); and Captain Gilbert (unknown number of years of service – lots). She congratulated them and offered sincere thanks.

OLD BUSINESS

Department of Resources and Economic Development

Mr. Santagate welcomed George Bald, Commissioner of Resources and Economic Development; Mike Vlacich, Director of Economic Development, and Senator Bob Odell. Mr. Santagate said economic development in Claremont is our number one goal. We want to broaden the tax base and focus on sustainable smart growth. To get that done, we need strong partnerships particularly at the state level. These men have helped us and given us enormous attention in terms of planning and in resources that they provide. He thanked them. They are here to share their experiences on economic development and to talk about state efforts.

Senator Bob Odell, said there are three priorities: 1) strong and effective voice and connection to Concord; 2) we have to get beyond this dilemma of school funding, this is a top priority; and 3)

economic development; this is also a top priority, we have to work in partnerships with the state and local governments. He remembers the Governor coming to Claremont and seeing the need for Claremont to be connected with the university system and now there is Granite State College.

Commissioner George Bald gave kudos to Sophie & Zeke's restaurant and said he would come back to it. As he was walking up the street, he saw that wonderful things are happening in the community. Claremont has a dogged determination to improve and it is what makes a difference. This community has had to reinvent itself over the last 10-15 years. Attitude and patience are more important than water and sewer in attracting business. You have to show you feel great about your community. He mentioned Pease Air Force Base, when the base closed, and that it took eight years to get it going again; it took dogged determination. Most times citizens won't know, but the Council must know in its gut that it has done everything it can to further the mission of this community. It makes a difference between a community that is successful and a community that isn't. This community has had focus to do good things. He is delighted with what Claremont is accomplishing.

Mike Vlacich, Director of Economic Development, said Claremont was inspiring with regard to the support of the Customized Structures (CSI) workers and how government can play a positive role. He believes the efforts in downtown are critical to economic development not only in Claremont, but also statewide. They think it is important to have an economic development approach that goes statewide. He believes Claremont is well situated to take advantage of the economic growth in New Hampshire. He is very excited to work with Allan Britton, new Planning and Development Director. They are talking about ways to support us in marketing Claremont to the world as a great place to do business. He is looking to support Claremont as an economic center. He is working with Senator Odell on how to address the workforce challenges and he said one great asset is the community college system. They think Claremont is front and center to the state's economic success and strategy. A strong Claremont is good for New Hampshire. They will do everything they can to support us.

Mayor Cutts is pleased they are thinking of Claremont. We are well on our way to being successful. She recognized city staff as the backbone of what happens in this city. She thanked City Manager Santagate who is the greatest cheerleader this city has ever had. She will do what she can to help.

Mr. Austin thanked them for coming and hoped they can come back this summer to see the mill buildings being worked on. He sees the City as a snowball rolling downhill, getting bigger and better. Commissioner Bald quoted the Governor of Minnesota as saying the best way to predict the future is to create it. He said he will come back in the summer with Senator Odell.

Mr. Picard asked if the state is seeing businesses looking at Claremont. Mr. Bald said they do. Companies take a long time to look; they want absolute confidentiality; it could happen tomorrow that a company comes to the city. You won't know when they are visiting here. They'll want to know where the sites are; they'll pick up a newspaper and maybe even subscribe to the paper. They'll go to restaurants and talk to people to see how they feel about a place. So, it is important to always be positive, because you never know if the person you are talking to is

considering moving to this community and investing millions of dollars. There are companies looking, sometimes it takes six months and sometimes it takes three years for them to make a decision. More and more companies are looking. Mr. Vlacich said his department focuses 80% of their resources on supporting in-state companies.

Mr. Roark thanked them.

Mr. LaCasse asked what three things would bring industry to Claremont. Mr. Bald said it is important to partner with the state; have a good attitude; have good employees; and infrastructure is important. Not having an income tax is an issue, but it's not the main issue. Mr. Odell said the challenge is the workforce. Businesses are not expanding here because they can't get people to come with life skills (showing up on time) and trade skills.

Mayor Cutts opened the floor to the public.

Bernie Folta, Ward 3, asked why jobs are going begging and what can we do about the lack of life skills and trade skills. Manufacturing is important, but there is a whole lot of opportunity in the service sector.

Keith Raymond, Ward 2, thanked them for coming and that this shows the attitude in Concord toward Claremont is positive. You don't have to look far to see things are happening in Claremont.

David Putnam said he has been a business man in Claremont for 35 years, on the Claremont School Board for 9 years and Chairman of that board for 6 years. He asked if a statewide level tax would help develop economic development throughout the whole state. Mr. Bald said he doesn't think so; it won't flatten it out. Even if the tax rate is cut in half, people won't flock here. The issue of having or not having an income tax is in the mix, but not the top thing. It depends on the company. Mr. Putnam said lower average income is the big number that compares to other communities in this state and that is a number that economic development will have a major influence on.

Commissioner Bald said he was a former mayor and offered his assistance to Mayor Cutts.

New Life Worship Center

Ms. Taylor said Reverend Perrigo has a request to make of the Council pursuant to settlement of litigation that the Council was previously aware of.

Reverend Robert Perrigo, Ward 3, representing New Life Worship Center and Greater Claremont Christian School (GCCS), gave the history of the school. In 2001, they purchased the building at 10 Royce Street (formerly Vine Street) for \$90,000 (the City was asking \$160,000). The properties were being sold by the city to be placed on the tax rolls. Even though the church is tax exempt, he said he entered into an agreement with the City to pay taxes. He said the intent was that if they couldn't pay them, he would come back to the Council. In 2001, they paid

\$3,800 in taxes. His intent was to pay the taxes, because they use community services. He said at the time, he offered a PILOT (Payment in Lieu of Taxes), but taxes were the way to go. In 2002, they got a \$20,000 bill for a new heating system and it took two years to pay for it. In 2004, they received a tax warrant for the church. School taxes got pushed back. They hired a lawyer in 2005. They started litigation in the summer of 2006. He was here to talk about the restricted deed. He said the school has saved the city \$7,000 per child, per year for the last 17 years by privately educating the children. They have received referral students from local doctors and educators. He believes the school is more valuable than just tax revenue. He asked to remove the tax burden (past, present and future). He said if they are held to the taxes they cannot pay, the City will effectively shut them down. He asked that the restriction on the deed be completely removed.

Mayor Cutts asked Ms. Taylor what the Council's role is. Ms. Taylor said as part of the settlement agreement, the school agreed to pay a certain amount of taxes assessed by the City. The City is forgiving certain other amounts and interest and penalties on the church and school. The City agreed to allow Rev. Perrigo to make a request to the Council to amend the deed and re-record it to alter the property tax provision. Rev. Perrigo said his understanding is that the Council could choose to restrict, modify or wipe out the taxes. He's asking to totally strike the restriction from the deed and free them of the tax burden. Ms. Taylor said modify means to change which could mean no change, remove the requirement to pay the property tax and substitute it with a PILOT. The settlement agreement said the attorneys would recommend to the Council that it be modified to the extent that the property tax payment be removed and in its place a PILOT of not less than 50% of the ad valorem annual assessment of any given year. It is in the Council's jurisdiction to delete that down to zero and there would be no tax obligation beginning in 2008.

Mayor Cutts asked what a PILOT of 50% would be. Rev. Perrigo said \$5,500 to \$6,000.

Mr. Austin said the agreement is to pay \$56,000, but the problem is the future. He asked if a PILOT of \$5,500 will be a problem. Rev. Perrigo said the number of students has fluctuated from a high of 87 to 33 last year. Tuition is \$2,200 and currently there are 42 students. Not all are paying. He would rather pay a PILOT than taxes, but would much rather pay \$1,000 for every \$50,000 in income. This year's income was \$73,000-\$74,000.

Ms. Messier said the school building was originally put up for sale to be placed on the tax rolls.

Mayor Cutts referred to the 2001 minutes. She would not be inclined toward Rev. Perrigo's suggestion. In 2001/2002 there was clear intent that taxes would be paid. Rev. Perrigo said he claimed at the 2001 meeting he stated they are a church and tax exempt, but would try to pay.

There was discussion about 501(c)3 tax status. Rev. Perrigo stated it doesn't have bearing on a place of worship.

Mayor Cutts talked about religious exemption for property taxes. Ms. Taylor said that is not the issue before the Council. In the settlement agreement, the City agreed to come before the

Council and recommend that the Warranty Deed be amended (paragraph 4 and 5) so that instead of getting a straight property tax bill, the school, only, would enter into a PILOT agreement of no more than 50% of the annual ad valorem of the school property. Also, as part of that agreement, Rev. Perrigo would come before the Council to ask for a change or cancellation of the taxes. Mayor Cutts believes they provide a valuable service. Paying taxes is difficult. We are obligated to give tax exemptions where tax exemptions have been decided. She did not feel it appropriate to do away with all the taxes and then try to balance that with all other businesses. Rev. Perrigo doesn't feel they are a business. The settlement decided that a PILOT was appropriate. She was not able to see how she could reduce it. Rev. Perrigo said they operate the same as the two parochial schools. Mayor Cutts said the court settlement said they need to pay taxes, which can be as a PILOT of not less than 50%. Ms. Taylor said this is not a court settlement. The settlement agreement said the school would enter into a PILOT of 50% of the annual ad valorem of the school unless the Council wanted to enter into a PILOT for less or eliminate it all together. Ms. Taylor read from the settlement agreement: "Petitioners agrees to enter into an agreement with the City for payment in lieu of taxes (PILOT) in an amount of 50 per cent of the taxes assessed against the ad valorem value of Parcel 107-99 for each tax year beginning with the 2008 tax year, so long as the Petitioners remain owners of record of the premises. Notwithstanding, Petitioner shall have the opportunity to petition the City Council for a further reduction in the PILOT up to and including the total elimination of the requirement for a PILOT. To the degree the City Council agrees to reduce the PILOT below 50%, the PILOT shall be reduced accordingly." Rev. Perrigo again offered \$1,000 for each \$50,000.

Mr. Picard said the City doesn't have an income tax. Property tax is based on the property value. Rev. Perrigo knew going into the agreement that taxes were to be paid. He calls 50% fair. Mr. Austin agreed with Mr. Picard. Ms. Messier agreed with Messrs. Picard and Austin. She knows people on fixed incomes that have to pay their taxes and that is fair for the school. Mr. Roark would like to see a compromise for the students' future.

Mr. LaCasse asked if it can be left at full taxes. Ms. Taylor said the Council has a right to not vote any relief and to leave it in place. The agreement recommended no tax bill and a PILOT in place for 50%, but in negotiating the settlement, she had made it clear she did not have the authority to bind the Council. She said Rev. Perrigo is asking for no taxes for the school. Mr. LaCasse said past Councilors made the agreement in good faith. He hesitates to change it.

Rev. Perrigo said personal taxes are different than church or business taxes. He told the previous Council he would come back if taxes became too much to pay. He would rather do a PILOT instead of taxes. He feels his school is as valuable as the other Christian schools and they don't pay taxes.

A motion was made by Mr. Austin and seconded by Ms. Messier to accept payment of \$56,836.33 within 60 days of the agreement and future payment will be in the form of a PILOT (payment in lieu of taxes) for 50% of the ad valorem for that year as stated in the agreement.

Mayor Cutts opened the floor to the public.

Joe Osgood, Ward 2, said Rev. Perrigo mentioned troubled students have been referred to the school. Troubled students could cost more than what is being asked for. He asked what will 43 students being dumped into the school system do. The Council is in a position to keep them in business, which would save tax dollars.

Bernie Folta, Ward 3, asked if the relationship between Rev. Perrigo's church and school is the same as other churches that have schools.

Samantha Cook, Tutherly Avenue, said her daughter was having a problem in the Claremont School District and started at GCCS three days ago and she is doing great. Her son is in Claremont on IEP, is in the 11th grade and can't read and write very well. Don't throw away these options. She would be devastated if this school closed.

Keith Raymond, Ward 2, agreed with Mr. Osgood; he doesn't want the school to close. Putting 43 kids back into public school will cost the taxpayers. With Rev. Perrigo's offer to pay \$1,000 for each \$50,000 in income, and an increase in students to 80, he would pay almost what he is paying now.

Mayor Cutts asked Mr. Perrigo how many of his students reside in Claremont. Rev. Perrigo said close to 25 students and they have had as many as 50-60 students.

Bill Regan, Ward 2, asked why this is a debate, other parochial schools are not here. If this is an accredited school, it should fall under the same purviews as other schools. If this is a for-profit business, it should fall under same rules as other businesses. Any educational system is a benefit to the community. Ms. Taylor said the sole question is whether or not the Council wants to amend the deed. The tax exemption issue is not the real issue tonight.

Mayor Cutts closed the public portion.

Mr. Roark said other years should be used to get the number of affected Claremont students, not just the current year. He noted that Social Service Funding goes to groups that work outside of Claremont. As far as accreditation, he's sure they are accredited. He would be open to have City staff answer Mr. Folta's question about comparisons.

Mayor Cutts said buildings/properties in the City need to generate tax revenue to keep the City alive.

Mr. Austin suggested Rev. Perrigo could apply for Social Services Funding.

A motion was made by Mr. Austin and seconded by Mr. Picard to move the question.

Mr. Roark made a point of order; he had asked staff to discuss Mr. Folta's question. Mr. Folta said he was wondering if the relationship between the New Life Church and the school is the same or different as the relationship between St. Mary's parish and school or Calvary Baptist and

its school. Mayor Cutts said City staff can't answer that question. Mr. Picard suggested that when St. Mary's and Calvary purchased their buildings, they did it under a 501(c)3, but when New Life purchased their building, they did it understanding they would pay taxes. Mr. Roark asked for a statement from the City Assessor. Edward Tinker, City Assessor, said he doesn't know the legal status of the church with the state. Mr. Tinker said he has no knowledge of specific forms regarding exempt status.

Roll Call Vote: Motion to move carried 4-2 with Mr. Roark and Mr. LaCasse voting no.

Mayor Cutts asked Ms. Taylor what it would take to pass this vote. Ms. Taylor said a majority of four.

Roll Call Vote on the motion: Motion carried 4-2 with Mr. Roark and Mayor Cutts voting no.

Update on Status of Licensing of Haulers and Mandatory Recycling

Mr. Picard said he is in the hauling business and asked if it would be appropriate for him to step down from the table. Ms. Taylor said it would be and so he did.

Bruce Temple, Public Works Director, said new applications had been sent to all known haulers. Three of the four haulers had licenses issued. They are working with the last one. All haulers offer trash pickup and recycling. In another week, Public Works will attend some recycling programs and will return to the Council when they get more information. Mayor Cutts asked about the mandatory requirement that haulers offer recycling. Mr. Temple said according to their applications, all haulers are offering it. Mr. Austin asked if the trucks have the ability to offer curbside recycling. Mr. Temple said the license application does not require that answer. Mr. Austin asked if there is a requirement on the license to have a divided truck. Mr. Temple said there is not.

Mayor Cutts opened the floor to the public.

Rebecca Mackenzie, Ward 2, said she is excited for the recycling and in the future hopes that they offer curbside pick up for recycling.

Mayor Cutts closed the floor.

Mayor Cutts invited Mr. Picard to return to the Council table and he did.

CITIZEN'S FORUM

Bernie Folta said regarding appointment to Boards and Committees, the process needs to be seen as pure and clean, but the perception is that it isn't. Boards and Committees are in desperate need of volunteers. He suggested the Council take steps to optimize the process. One way is to optimize the application. Opportunities for recruitment should be as broad as possible. A

contemporary city should have clear and well thought out processes for any citizen to be considered for appointments to boards and commissions.

Rebecca Mackenzie, Ward 2, said she is gathering more signatures on a petition for the Wheelabrator agreement clarification. On Saturday morning at the post office, citizens are invited to sign a follow-up petition. She encouraged citizens to contact Councilors and urge them to act on clarifying the intent of this agreement. She hopes curbside recycling opens up pay-as-you-throw.

NEW BUSINESS

Assessing Update

Mr. Santagate said the Assessing area is a very important area and it is required by state law. He introduced Ed Tinker, City Assessor, to talk about the process and Chuck Reese, DRA (Department of Revenue Administration).

Mr. Tinker said a 2009 revaluation update is required. It will be done in-house. They have already started working on the process. By doing it in-house, the typical cost savings will be \$350,000 to \$400,000 versus hiring an outside firm. Another process they are reinstating is the data verification process which will require a physical inspection of a portion of the city each year. The majority of the projects will not have an impact on the Assessing budget. In 2009, there may be an additional cost of \$25,000 to \$50,000. He would like to come back and give a quarterly update to the Council. DRA will review the files to make sure we meet the standards.

Mr. Reese said in 2008 they are doing an assessment review process. As part of that, they look at the overall assessment versus sale prices. They do a random sampling of exemptions or credits to make sure the paperwork is filled out properly. In 2009 Mr. Tinker will have to have a "sales book" which lays out the process of a revaluation. He said he is available any time to speak to the Council.

Mr. Picard asked how long it will take for the lower property values to be reflected in the taxes. Mr. Tinker said the 2009 update will be based on the prior two years of activity (April 2007 to the end of March 2009).

Mr. Austin said the last revaluation brought residential properties up which may be out of proportion now. Mr. Tinker said increases in 2006 were to level off all types of properties. It was a stronger market. The 2009 revaluation will look at the whole prior two years.

Mr. LaCasse asked how a Board of Assessors works and if it would be beneficial for Claremont to have one. Mr. Santagate said not many communities have it. The majority of the board would need to be qualified by the state (astute knowledge related to real estate transactions). He doesn't want to politicize the process. The last revaluation was the first done in 15 years and the values were out of sync. The next time we will send out notices of values ahead of time. He is hoping there is more stability. In regard to the Board, we might want to talk to other

communities to see how it's working there. Mr. Tinker said the Board would review things and assist with abatements and appeals. It wouldn't get involved in the day-to-day operation. Mr. Reese said 10-12 communities use a Board of Assessors. The duties are different in each community. It provides oversight and complements an Assessor. Mr. LaCasse asked for it to be an agenda item. Mayor Cutts asked to bring it up under Future Agenda Items.

Mr. Roark thanked Mr. Tinker and Mr. Reese for coming and for the forward thinking about sending valuation notices to the public.

Mayor Cutts opened the floor to the public.

Bernie Folta, Ward 3, said the City of Lebanon has a Board of Assessors. He said he had previously given the Council a packet of Lebanon's Board and Commissions and the description is in there. He believes the authority for the Board of Assessors arises from Lebanon's City Charter. If Claremont goes in that direction, it may require a Charter Change. Mr. Tinker said there is an RSA on it.

Mayor Cutts closed the floor to the public.

Mayor Cutts requested as much information as possible and the pros and cons for a Board of Assessors for the August Council meeting. Mr. Santagate agreed.

Mr. Reese said assessments typically fall between 90-100% of market value and the city is below 90%. The City is obligated, per the Constitution and ASB (Appraisal Standards Board) requirements, to update. Mr. Tinker said we are working toward getting this completed.

Mr. LaCasse asked about the total tax bill. Mr. Reese said the tax bill is driven by the assessments and the budget needs. For 2007, he hasn't seen any communities increase or decrease dramatically.

Ordinance 494 Amend Section 19-96 Municipal Parking – First Reading

Ms. Taylor said this ordinance will add parking lots to city-owned property. Allan Britton, Planning and Development Director, said as part of the mill project, there are to be 400 parking spaces defined. These 30 spaces are part of that. They will be for the general public.

Mr. Austin questioned parcel 120-11 as being posted as no parking. Mr. Britton said the people who posted it know they need to move the sign; that parcel will give us 12 spaces. These will be all day parking.

Mr. Roark asked what impact there would be of increasing the allowable parking time by an hour. Mr. Britton said he can't think of any.

A motion was made by Mr. Austin and seconded by Mr. Roark to adopt Ordinance 494 Amend Section 19-96 Municipal Parking on first reading.

Mr. Austin read the ordinance into the record.

Roll Call Vote: Motion carried 6-0.

Process for Sale of City-owned Property

Mr. Britton said that businesses are showing interest in the city and we would like to come up with a process that City staff follows to take properties to the market. He showed a PowerPoint presentation.

Categories of Property – Municipal buildings; Schools; Parks; Airport; Cemeteries; Reservoirs; Small parcels that enhance safety at intersections; Parcels owned by tax deed – this is generally the category where sale is of interest

Process for Sale – Requests for purchase reviewed by Department of Planning & Development to see if future city use may be contemplated; If not, requests for sale of city-owned parcel would be brought to the City Council; If Council authorizes the sale, the parcel will be publicly noticed for sale

Commercial/Industrial Lots – Request for Purchase – Public Notice; Scoring based on: End use/Tenant; Current Claremont business (job retention); Job creation; Proposed site improvements; Financial feasibility; Quality of information and responsiveness to request; Offered price in separate sealed envelope

Industrial/Commercial Lots – Scoring of responses done by: City Assessor, City Finance Director, Director of Planning & Development; Business Development Coordinator, Director of Public Works, City Planner

Residential Lots – Request for Purchase – Public Notice; Scoring based on: End use, Existing abutter, Proposed site improvements, Offered price; Scoring done by: City Assessor, City Finance Director, Director of Planning & Development, City Planner, Director of Public Works

Summary Report – City Solicitor will review process and documents; Summary report will be provided to Council identifying the individual or company that has best met the criteria, with intended use and time line in buying and/or improving the property; If the City posts a request for purchase of city-owned real estate and offers do not meet the minimum requirements, the Planning and Development office is authorized to reject that offer and re-post the property for sale

Mr. Austin asked how many properties are being reviewed for sale. Mr. Britton said 27.

Mr. Picard asked who has the authority to reject. Mr. Britton said the group of people he had listed and they would send a report back to the Council. Mr. Santagate said the Council has ultimate authority on the sale of city-owned properties.

Ms. Messier said this is a well thought-out, logical plan and she liked the way it was put together.

Mayor Cutts asked if there were any objections to the process. There were none.

Master Plan Grant Application for Housing Conservation and Planning Program

Mr. Britton said the NH Office of Energy and Planning is offering grants for the planning process. This is the Housing Conservation and Planning Program application. Part of the application is that the Council has to approve submitting the grant proposal. The grant is for \$20,000. Monies will be used to continue the Master Plan process. The Master Plan is at the Planning Board now. The next phase will be to look at housing and conservation.

A motion was made by Mr. Austin and seconded by Ms. Messier to authorize the city manager, or his designees, to take such actions as may be necessary to apply for a New Hampshire Office of Energy & Planning Housing & Conservation Planning Program Grant for preparation of the Housing Chapter of the proposed revised Master Plan.

Mr. LaCasse asked if this grant was for housing. Mr. Britton said this is a grant for extending the Master Plan. There are several sections to the Master Plan and housing is one of them. The Planning Board and the Planning and Development staff feel housing is a good place to go next. Mr. LaCasse asked if it can be used for commercial and industrial. Mr. Britton said they are proposing just for housing.

Mr. Picard asked if voting on the grant was premature. Mr. Britton thinks this is a good idea. The Planning Board will adopt the Land Use section in some form. Mr. Austin said this is free money for a study. Mr. Britton said the money will be used for the housing chapter of the Master Plan. Mayor Cutts said the grant will help us to develop the housing chapter. She asked why we are targeting that chapter. Mr. Britton said after we have the Land Use chapter approved, it is logical to move on to housing.

Ms. Taylor noted a zoning ordinance proposal is not the same as the Master Plan or its chapters; they are general statements.

Mr. Roark said this grant is for research.

Mr. LaCasse asked what the \$20,000 will be spent on and why we can't do this internally. Mr. Britton said we have to do an assessment of the state of housing in the city today and how the community would like to see that grow and change over the next 5-10 years. \$12,000 will go to develop the Housing chapter (hire a professional to lead the community through developing the current state of housing- public input will be used); \$3,500 will be for a build-out analysis (this will be through the Upper Valley Lake Sunapee Regional Planning Commission); \$5,000 will be for developing a historic map of the city. Mr. LaCasse said the last time this was done, it caused a lot of problems. He wondered if it would be better if the Planning Board would give direction

as to what they want studied and where the money would be spent. Mr. Santagate said ultimately, the Council will make the decision (not the Planning Board) whether to grow the city or not. All he had heard was that the community was delighted with the Master Plan process. Over 200 people showed up through this process. In reference to growing the tax base, we are at 30% capacity for the water and sewer and Public Works wants customers. Mr. LaCasse doesn't want to spend the money then have it go to the Planning Board where there will be public input and then be told that it is not wanted. He would rather get direction on the Planning Board level on how to focus the money. Mr. Santagate said the more information you have, especially by using grant money to get it, the better off you are. It seems logical to use money other than our own to get these steps done. All these issues will come back to the Council.

A motion was made by Mr. Picard and seconded by Mr. Austin to move the question.

Mayor Cutts said she would offer the public the opportunity to speak and then opened the floor to the public.

Bernie Folta, Ward 3, said he went to the last Planning Board meeting and there has been some concern about the Land Use chapter being written by outside experts even though the input came from the public. Planning Board Chairman Grigsby suggested the external expert consultant injected some expert opinions. Those opinions need to be internalized by the Planning Board and the City Council and not be rubber stamped because some expert gave their opinion. His opinion was some members of the Planning Board wanted to rubber stamp that and send it on to the Council.

Mr. Santagate said this process was championed by Mayor Pope. The process was cheered by local residents. Experts gave their opinion. At no time did he hear an objection. Now a handful of people are saying that process was flawed and they don't want the opinion of the public. The process was done openly, publicly and not run by City Hall. He thinks it is wrong to have it reversed by a City Hall board.

Mayor Cutts thinks the Planning Board members wanting to rubber stamp this might have been involved in the process and might have gone to the Planning Board meeting with the knowledge. The Council is here to decide whether or not to endorse moving ahead with the grant.

Robert Woodman said smart planning is always good. Over 15% of housing is government financed. When it helps our people it's good, but when people come from out of state to buy cheap homes, he has a problem with that. He has no problem with growth as long as they pay their way. The problem with the gentleman from Concord helping the Planning Board was that his idea was 180 degrees from what citizens had put in that plan.

Roll Call Vote to Move the Question: Motion carried 6-0.

Roll Call Vote on the Grant: Motion carried 5-1 with Mr. Picard voting no.

Council Rule Change

Mayor Cutts said changes have been made to the Council Rules and the changes should be incorporated and then republished. A copy should be given to all applicants for the vacant Council seats.

Mr. Picard said the SRC (School Reinvestment Committee) is scheduled to be broadcast on April 3rd and asked if the interviews for the Council candidates should be changed. Mr. Santagate said the date was changed to accommodate Councilors' schedules. He said he can make a call to CCTV and SRC to see if this can be televised live.

Mr. LaCasse asked what happens if the removed Councilor goes to court and gets reinstated. Ms. Taylor said we would cross that bridge when we got to it. Right now we are running a risk if we do not fill the vacant seat. The Charter has clear rules on how to fill a vacant seat and the Council doesn't want to violate the Charter. Mr. LaCasse is in favor of waiting a couple of weeks. Ms. Taylor said we don't have a choice under the Charter.

CITY MANAGER REPORT

Mr. Santagate showed a PowerPoint about Boards and Commissions.

Mayor Cutts said there are lots of Boards and Commissions and many have significant vacancies. She wanted to increase the public's knowledge, so she showed steps to get to the Boards and Commissions application on the City's website. She said we are desperate for members.

Bernie Folta suggested senior citizens feel limitations (i.e. not going out at night). He asked if there is a way to not have meetings at night so others can participate.

Robert Woodman asked if there was any reason the applications submitted for the Planning Board last month was not presented to the Council. Mayor Cutts said the process is not clear. Submitted applications remain pending and will come to the Council. Mr. Woodman asked when they will come forward. Mayor Cutts said she has no information that a Zoning Board meeting will be interrupted or postponed. Mr. Woodman said after March, there will only be two members on the Zoning Board and the next meeting will be April 7th.

FUTURE AGENDA ITEMS AND DIRECTIVES

Mr. Austin said to Mr. Santagate that the building on Main Street, just before the Mattress Factory, has doors and windows broken out and it needs to be secured.

Mr. Santagate said he got a question from Mr. LaCasse through the Mayor about the special meeting for the fire alarm. It was not a Capital Reserve item. Mr. LaCasse said he asked the question because he saw it was a budgeted item for 2008 (\$20,000 for fire alarm replacement). Ms. Walter said she will explain it at the next meeting.

Mr. Picard asked about a date to re-open the Charter. In addition, at the February 13th meeting, it was talked about to send board chairpersons to school, but he doesn't think it is necessary.

COMMITTEE REPORTS

Open Space Ordinance Committee

None

Master Plan Committee

None

School Reinvestment Committee

None

CONSULTATION WITH LEGAL COUNSEL

None

ADJOURNMENT

At 11:17 p.m., a motion was made by Mr. LaCasse and seconded by Mr. Picard to adjourn.

Motion carried 6-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council