

The Claremont City Council held a meeting on Thursday, November 19, 2009, in the Council Chambers of City Hall.

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

Members of the Council present were:

At-Large Councilor Thomas (Toby) Batchelder, III
At-Large Councilor Robert Picard
At-Large Councilor Keith Raymond
Assistant Mayor Andrew Austin
Ward II Councilor Paul LaCasse
At-Large Councilor Kyle Messier
Ward I Councilor Christopher Lewis
Ward III Councilor Jeffrey Goff

Also present were:

Guy Santagate, City Manager
Jane Taylor, City Solicitor

Absent:

Mayor Deborah Cutts

Assistant Mayor Austin read an e-mail from Mayor Cutts explaining her absence due to an unexpected surgery.

MAYOR'S NOTES

Mr. Austin commented on the budget. This is the third year in a row that the City Manager and his staff had brought in a level-funded budget. He thanked the staff.

Ms. Walter said she went to a conference at the LGC (Local Government Center) today and was told some rates for health insurance went up 16.9% or 17.3%, but ours went up only 8.3%. She was told it may go up again. She said she had sent Council changes to the budgets and they were accurate as of the last meeting. The original budget was \$14,789,093. Changes came from health insurance with revenue to offset, the proposed half-time firefighter, and the difference between the Department Request and the Manager's Proposal in Communication-911. New expense budget total is \$15,347,691. Increase in revenues went from \$5,584,424 to \$6,080,470. That adds 8 cents to the tax rate (new projected rate would be \$11.94) which is a .71% increase over last year.

Mr. Santagate explained Fund Balance and that these are funds previously raised and appropriated in prior budget years, not in 2010.

Ms. Walter said the City is in the middle of open enrollment for health insurance. She showed a PowerPoint presentation about the budget changes.

- 2010 Budget Changes
 - Additions by Manager
 - Health Changes – due to open enrollment \$8,645
 - Addition to Airport Budget Request \$1,500
 - Total \$10,145
 - Changes to Revenue
 - Departmental Revenue (\$7,483)
 - Rent of City Property (\$2,726)
 - Total (\$10,145)
 - These changes are neutral, making no changes to the City Manager's property tax projection of \$11.86.
- From Fund Balance (Reserves) – No Affect on 2010 Budget
 - Additions by Council – From Fund Balance
 - Highways – Road Paving \$400,000
 - Social Service Agencies \$20,000
 - Planning – Military Veteran Position Funding \$72,801
 - These changes are neutral, making no changes to the City Manager's property tax projection of \$11.86.
 - Mr. Santagate said these funds have already been raised from a prior tax year, so they are not related to the 2010 budget.
- 2010 Budget Changes
 - Additions by Council – On Tax Rate
 - Public Safety Increases
 - Police Dispatch (Department Request for more part-time help \$22,552
 - Fire Department – Fill one position in January rather than July \$33,000
 - These changes will add \$.08 to the tax rate projection, bringing it to \$11.94 and will add approximately \$12.00 per YEAR to the average home assessed at \$150,000.

Mr. Austin said he felt there were weaknesses in the Police and Fire areas and that is why he favors the increase.

CITIZEN'S FORUM

Steve Raymond, Ward 1, said he met with the City Manager and Public Works Director Bruce Temple and spoke to Mayor Cutts about East Green Mountain Road. He asked that this item be placed on the agenda. He said his daughter lives there. There are times when the Fire

Department cannot get through because of the road condition. It is paved almost to the top except for about one mile. The Public Works grader spends a lot of time up there. He asked that the road be put on the agenda to be fixed. Emergency services can't get in there. There are 14-16 houses up there and they pay lots of taxes. He will not support the new community center if this is not put in the budget first.

Alan Noyes said he lives on East Green Mountain Road and it is impossible to drive on it during mud season. He said he has talked to Mr. Temple regularly about this. He was told Public Works can't maintain it when it is raining. He's in a wheelchair and needs regular outside care. Caregivers can't get in during mud season. He would like to see something get done.

Henry Vashaw, Ward 3, said he lives on East Green Mountain Road, just on the dirt past the pavement. He reiterated the problems trying to travel on the road.

Larry Converse, Ward 2, is concerned with the sewer line coming out of the county, where it crosses the Sugar River. He is concerned about it being a liability if the line breaks.

BUDGET

Mr. Lewis said he has received a lot of feedback about people's concern about the lack of a level-funded budget. He agreed with the additions to the Police and Fire budgets. His biggest concern is how the positions are funded. He is concerned about taking money from Fund Balance as it is a "rainy day account," but he asked if those positions can be paid from it. Some families are having trouble paying for food and fuel, so an additional \$12 per year on the tax bill is difficult for them to pay. Mr. Lewis said he brought this forward for discussion. Mr. Picard said salaries are a one-time expense and should not be taken from Fund Balance. Mr. Raymond said that taking salaries from Fund Balance would leave this account below the state recommended minimum. Council discussed. No changes were made.

Revenue

2009 Final Approved - \$5,566,210.00; 2010 Department Request - \$5,584,424.00; Manager's Proposal - \$5,584,424.00.

Ms. Walter said the Revenue budget had dropped as a result of the state cutting shared revenues. She hoped the anticipated revenues stay steady. Tentative adjusted revenue figure: **Manager's Proposal** \$6,080,470.

There was discussion about the PILOTs (Payment In Lieu of Payment) and the \$1,000 paid by the Senior Center. Mr. Santagate said the ideal PILOT would pay for City services (40% of the total tax bill). He noted that seniors get \$11 million in exemptions that everyone else has to pay for. That does not include the senior center, only private residences. There are 1,000 veteran exemptions in the City. Claremont has a high percentage of elderly, veterans and non-taxable properties in the City. Mr. Santagate said he can take a look at the PILOTs and report back to the Council.

A motion was made by Mr. Raymond and seconded by Mr. Goff to tentatively accept the Revenue budget of \$6,080,470.

Roll Call Vote: Motion carried 9-0.

NEW BUSINESS

Resolution 2009-17 Overspend Welfare Budget by up to \$60,000 – Public Hearing

Ms. Walter said the Welfare budget is always tight. This year with the difficult economy, we are requesting permission to overspend the Welfare department budget, but not the City's bottom line, which will have no impact on the tax rate. Mr. Santagate said this is for the 2009 budget.

Mr. Picard asked what the amount was last year. Ms. Walter said about \$40,000. She said Suzanne Carr, Welfare Director, tries to guess how much will be needed. Shelters across the state are full, so we may have to pay mortgages. This is a request to spend up to \$60,000, but we won't spend it if we don't have to.

Mr. Santagate said he meets with Ms. Carr once a week. She's been with the City for 20 years and she said she has never seen it this bad. The laws for Welfare are written by the state. She has done a good job collecting past property liens for welfare help, whenever possible.

A motion was made by Mr. LaCasse and seconded by Mr. Raymond to adopt Resolution 2009-17 Overspend Welfare Budget by up to \$60,000.

Mr. Austin opened the public hearing.

Bernie Folta, Ward 3, presumes welfare benefits are given to residents of Claremont. People are attracted to Claremont because this is where the services are. He was wondering how many people come to Claremont for the welfare benefits. He heard a perception from citizens that some communities send people to Claremont for services.

Nick Koloski, Ward 3, asked if Client Life Skills Training \$100 is for in house or for people seeking welfare assistance. Ms. Walter said the City had started a pilot program to have people get budget training if they were seeking Welfare assistance. The state took over the program and Ms. Carr sends people to the state, but the \$100 is to keep the account open.

Mr. Raymond read the resolution into the budget.

Roll Call Vote: Motion carried 8-0.

Mr. Santagate noted that Welfare Director Suzanne Carr has been able to collect \$23,500 from prior welfare recipients this year.

ADOPTING THE 2010 BUDGET

Resolution 2010-1 Tax Anticipation Note – Public Hearing

Consensus of the Council was to allow citizens to speak as long as they want with no time limit.

Ms. Walter said this resolution gives the City the ability to borrow on anticipated taxes. The amount is up to one-half of the General Fund budget.

Mr. Santagate said the City budget year runs from January to December, but the first tax bill goes out in June, so we may need to borrow money for the first six months of the year. We may not need to borrow depending on the cash flow. Ms. Walter said the more we use out of Fund Balance, the sooner we have to borrow.

A motion was made by Mr. Picard and seconded by Mr. LaCasse to adopt Resolution 2010-1 Tax Anticipation Note.

Mr. Picard read the resolution into the record.

Mr. Austin opened the public hearing. No one spoke. He closed it.

Roll Call Vote: Motion carried 8-0.

Resolution 2010-2 Adopting the 2010 General Fund Budget for the City of Claremont – Public Hearing

Ms. Walter said Council will read the original resolution and amend it so the new bottom line reflects what the Council wants to add or subtract. Mr. Santagate said the amendment can be done by bottom line, but not by line items.

A motion was made by Mr. Goff and seconded by Mr. Lewis to adopt Resolution 2010-2 Adopting the 2010 General Fund Budget for the City of Claremont amending it to be Total Expenditures \$15,347,691 and Revenue \$6,080,470.

Mr. Goff read the resolution into the record amending it to be Total Expenditures \$15,347,691 and Revenue \$6,080,470.

Mr. Austin opened the public hearing.

Bernie Folta, Ward 3, gave a handout to the Council showing an analysis of the budget based on the City Manager's proposed budget, but noted the numbers will be a little different because of the changes made. He gave his phone number, 542-3233, if anyone wants a copy. He talked about comparison cities Berlin, Laconia, Somersworth, Lebanon and Keene. He did this as a way of looking at the budget in a different way (i.e. percentages).

Nick Koloski, Ward 3, said he doesn't like the way the whole budget process is handled. He doesn't think it is fair that the public comes in on the last night without having the department heads available.

Victor Bergeron, Ward 1, was concerned about warnings from some department heads about upcoming problems. Council is spending from Fund Balance. He asked how hiring a full-time firefighter will affect the grant application. There is a problem with the sewer on Maple Avenue. The state will probably withhold more money from the City. He said you can't spend capital reserves; you need to save for emergencies. Mr. Raymond agreed with Mr. Bergeron, but that roads need work and he hopes the City Manager will use that money for them. He said the Fire Department question can be answered by the Fire Chief. Fire Chief Peter Chase said according to the grant application, we need two firefighters to meet the minimum national standard. If we are awarded the SAFER grant before July (when the City Manager had proposed to add a firefighter), we couldn't accept it because we don't meet the minimum standards.

Roll Call Vote: Motion carried 8-0.

Ms. Walter cautioned Council in reference to Mr. Folta's comments, when comparing Claremont to other communities, they don't all have the same services that we do (i.e. Dispatch). Mr. Santagate said when looking at averages to be careful. Somersworth and Laconia are comparable and so is Berlin to a point. Lebanon and Keene are not comparable. Using a pie chart that doesn't include revenue generated by a department will lead to an erroneous conclusion. He likes using comparables.

Resolution 2010-3 To Adopt the 2010 Water Division Budget for the City of Claremont –
Public Hearing

A motion was made by Mr. Goff and seconded by Mr. LaCasse to adopt Resolution 2010-3 To Adopt the 2010 Water Division Budget for the City of Claremont.

Mr. Goff read the resolution into the record.

Mr. Austin opened the public hearing. No one spoke. He closed it.

Roll Call Vote: Motion carried 8-0.

Resolution 2010-4 To Adopt the 2010 Sewer Division Budget for the City of Claremont –
Public Hearing

A motion was made by Mr. Lewis and seconded by Ms. Messier to adopt Resolution 2010-4 To Adopt the 2010 Sewer Division Budget for the City of Claremont.

Mr. Lewis read the resolution into the record.

Mr. Austin opened the public hearing.

Larry Converse, Ward 2, asked about adding the sewer line from the county complex into this budget.

Mr. Temple said there is a cone valve on Sugar River Drive. The sewer goes under the Sugar River and comes out by Home Depot. This budget does not include the stone work along the Sugar River.

Roll Call Vote: Motion carried 8-0.

Resolution 2010-5 To Adopt the River Road Tax Increment Finance District Budget for the City of Claremont – Public Hearing

A motion was made by Mr. Batchelder and seconded by Mr. Lewis to adopt Resolution 2010-5 To Adopt the River Road Tax Increment Finance District Budget for the City of Claremont.

Mr. Batchelder read the resolution into the record.

Mr. Austin opened the public hearing. No one spoke. He closed it.

Mr. LaCasse questioned Miscellaneous Expenses. Ms. Walter said \$82,000 goes toward support of Planning Department, for the marketing of River Road, a loan for work in Syd Clarke Park and the lights. Mr. Picard said the lights were on during the day. Mr. Temple said there have been problems, so he will check it out. Mr. Picard asked why the lights are on; there is no business in there. Mr. Temple said the lights are turned on from 4 to 10 p.m. to allow potential business people to look at the properties in the evening.

Roll Call Vote: Motion carried 8-0.

Resolution 2010-6 To Adopt the Downtown Tax Increment Finance District Budget for the City of Claremont – Public Hearing

A motion was made by Mr. Goff and seconded by Mr. Raymond to adopt Resolution 2010-6 To Adopt the Downtown Tax Increment Finance District Budget for the City of Claremont.

Mr. Goff read the resolution into the record.

Mr. Austin opened the public hearing. No one spoke. He closed it.

Roll Call Vote: Motion carried 8-0.

CONSULTATION WITH LEGAL COUNSEL

None

ADJOURNMENT

At 8:14 p.m., a motion was made by Mr. LaCasse and seconded by Mr. Picard to adjourn.

Roll Call Vote: Motion carried 8-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council