

The Claremont City Council held a meeting on Wednesday, March 11, 2009, in the Council Chambers of City Hall.

The meeting was called to order by Mayor Cutts 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
Mayor Deborah Cutts
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

MAYOR'S NOTES

Stevens High School Student Council Update

Mayor Cutts said the Student Council was not in attendance because they were out supporting the Stevens High basketball team, which is in the playoffs.

Reminder that the House Finance Committee would be the River Valley Community College tomorrow night at 6 p.m. to hold a public hearing on the Governor's budget cuts.

Mr. Goff read an article from the *NH City Views*, Winter 2009 edition, titled Claremont's Rebirth.

REPORT OF THE SECRETARY

A motion was made by Mr. Raymond and seconded by Mr. Picard to accept the minutes of the February 11, 17 and 25, 2009, City Council meeting.

Mr. Lewis abstained because he was not present for the February 25th meeting.

Voice Vote: Motion carried 8-0 with Mr. Lewis abstaining.

APPOINTMENT TO BOARDS AND COMMITTEES

Claremont Planning Board

Mayor Cutts said this application for Anthony Ferraro is for information only. The seat to be filled is seat #1. Applications can be turned in until March 31.

Fiske Free Library Board of Trustees

A nomination was made by Mr. Raymond to appoint Deborah C. McClure-Brown to seat #3 of the Fiske Free Library Board of Trustees.

Voice Vote: Motion carried 9-0.

Historic District Commission

A nomination was made by Ms. Messier to appoint James P. Gagnon to seat #1 of the Historic District Commission.

Voice Vote: Motion carried 9-0.

A nomination was made by Mr. Batchelder to re-appoint Jason Farrell to seat #2 of the Historic District Commission.

Voice Vote: Motion carried 9-0.

Upper Valley Lake Sunapee Regional Planning Commission

Mayor Cutts said Claremont is allowed three seats on the Commission. Two seats remain vacant so she asked people to apply.

A nomination was made by Mr. Picard to re-appoint Bernard W. Folta to seat #2 of the Upper Valley Lake Sunapee Regional Planning Commission.

Mayor Cutts read a letter from the Claremont Planning Board nominating Mr. Folta to the Commission.

Voice Vote: Motion carried 9-0.

Zoning Board of Adjustment

A nomination was made by Mr. Batchelder to re-appoint Carolyn Greenslet Towle to seat #1 of the Zoning Board of Adjustment.

Voice Vote: Motion carried 9-0.

A nomination was made by Mr. Raymond to re-appoint Ed Friedman to seat #8A of the Zoning Board of Adjustment.

Voice Vote: Motion carried 9-0.

Conservation Commission

A nomination was made by Mr. LaCasse to re-appoint Stephen Wood to seat #2 of the Conservation Commission.

Voice Vote: Motion carried 9-0.

Mr. Raymond said seat #6A is open and the public can apply for it.

OLD BUSINESS

30% Tax Reduction Petition – Public Hearing

Mayor Cutts read the petition to reduce the City's taxes by 30% and place a freeze on additional non-emergency spending.

“We, the undersigned, Claremont residents and/or taxpayers, who are overburdened with high property taxes and who are being taxed out of our homes, do hereby request our elected body (city council) to enact spending cuts by thirty percent in order to reduce the city's municipal tax rate and further place a freeze on additional non-emergency spending introduced as resolutions or requested by the city administration. Therefore, we, the undersigned, Claremont residents urge you the elected body (city council) to take action now. Dated this day fourteenth of January 2009.”

A motion was made by Mr. Austin to bring the petition to the table for discussion, not because he approves of the 30% reduction, but for discussion. Mr. LaCasse seconded.

Mr. Austin said he appreciates where the citizens are coming from. He would have liked to have seen citizens come before the Council during the budget season. A 30% reduction would shut down a lot of functions and he can't possibly vote for that.

Mr. Picard agreed with Mr. Austin that 30% goes beyond contractual obligations and could cost millions of dollars. He understands there is a problem with the property tax. He thinks the City should move forward at a pace everyone can survive with, not just a few.

This item is already on the agenda for discussion, so Mr. LaCasse withdrew his second and Mr. Austin withdrew his motion.

A motion was made by Mr. LaCasse and seconded by Mr. Austin to enact spending cuts by thirty percent in order to reduce the city's municipal tax rate and further place a freeze on

additional non-emergency spending introduced as resolutions or requested by the city administration.

Mayor Cutts opened the public hearing.

A motion was made by Mr. LaCasse and seconded by Mr. Picard to suspend the five minute Council Rule for this item.

A motion was made by Ms. Messier and seconded by Mr. Austin to amend Council Rules to allow people to speak with no time limit. Mr. Santagate said the intent to change the Rule has been made known tonight, but to change the Rule would have to be placed on a future agenda.

Without a prior written request, to amend a Council Rule tonight would require a unanimous vote.

Motion to amend Council Rules failed 7-2 with Messrs. Batchelder and Raymond voting no.

The motion made by Mr. LaCasse and seconded by Mr. Picard to suspend the five minute Council Rule for this portion was changed to suspend the five minute Council Rule for this evening.

Mr. Goff is concerned Council is picking and choosing when to suspend this rule. He would like it to be all or nothing at the next meeting. Mayor Cutts asked him to bring it up again under Future Agenda Items.

Roll Call Vote: Motion carried 9-0.

Vic Bergeron, Ward 1, said it doesn't make sense to vote yes for all the school budget articles (except one) and then to ask the City to cut its budget by 30%. He said there were 8,021 registered voters in Claremont and only approximately 300 people signed the petition to cut the budget which is only 3.75% of the registered voters. That cut would send the City backward. He had heard someone say there are 250 homes for sale in Claremont; 50 in foreclosure; and 25 up for auction. To verify, he called a local realtor and was told there are 105 residential homes for sale; 28 multi-family homes for sale; 15 in foreclosure; and 6 up for auction. Houses under \$100,000 are coming in and going out. Young people are buying and fixing them up. It is ludicrous for the City to go backward.

Mark Barriger, Ward 1, said he opposes the budget cut, because that would cut police and firefighters positions and would put people's lives in jeopardy.

Roger Formidoni, Ward 2, presented another petition with 359 signatures strongly opposing the 30% spending cuts from the 2009 budget and a freeze on non-emergency spending. This is reckless and unwise. The spending cuts would be detrimental to the future of the City. They would like to continue to implement plans as set forth for 2009. They support the 2009 budget

as adopted. They expressed their approval for the progress that has been made in the City to date. He feels it is important for Mr. Santagate to proceed at a pace he deems necessary.

Petition text:

“We, the undersigned Claremont New Hampshire residents, do hereby communicate to the Claremont City Council our strong opposition to a recent citizen petition which requested a 30% spending cut from the 2009 budget and a freeze on additional non-emergency spending. We find this to be both reckless and unwise. The request disregards all obvious adverse consequences and we believe its enactment in any form would be detrimental to the future of our city.

Instead, we petition the Claremont City Council to continue implementing the plans as set forth by the current City Council and the City Manager for 2009. We support the 2009 budget, as adopted, and approve of the general direction in which the city is headed. We would like to express our approval for the progress that has been made in the city to date, and encourage this council to continue on that course.”

Norman Lessard, Ward 2, listed what we must do to get Claremont through these difficult times. We need to build community teamwork; enhance our community; have positive attitudes; stay focused and don't give up. Negative attitudes will never succeed. Bad press hurts the City. Building community teamwork will bring in new industries and service firms that create living wage employment. Our community has been enhanced by the Opera House, new pedestrian bridge, revamping of the Mill District, parking garage, summer flower program, Taste of Claremont, Chili Cook-off and the skate park. He extended a warm thank you to volunteers for our youth and citizens. Cutting the budget 30% won't help the growth of the City. To grow and lower the tax rate, new businesses and attitudes are needed. Together we can make a difference.

Bill Corey, Ward 1, noted the petition to cut the budget had been circulating since October and got 300+ signatures. This new petition had been circulating since February 27th and had 359 signatures. Cuts of this magnitude are irresponsible. Two of the businesses in the Mills will open in 90 days. He is getting calls from investors that want to come to Claremont. Growth will help offset the burden of property taxes. The prior suggestion to eliminate the Planning and Development Department is ludicrous; they are the key to get taxpaying businesses in this town. Defeat the proposal to cut 30% from the budget.

Steve Raymond, Ward 1, said he signed the first petition and it wasn't what he thought it was. He thought Mr. Santagate had a good idea about how cuts would be made. Mr. Raymond said he thinks it is a mistake to furlough fire and police. He suggested implementing a head and poll tax and asked if could be checked out. Mr. Santagate said he would have to check it out and get back to the Council.

Bernie Folta, Ward 3, said the school budget (Article 2 – \$29 million) was passed as well as a cut in the budget (Article 5 – \$8.8 million). Article 5 was advisory and people used it to send a message. Similarly, he thinks 30% on this petition is symbolic and he thinks it would be good to listen to the symbolic message of the voters.

Pam LaBounty, Ward 3, said she is one of the CAVE (Citizens Against Virtually Everything) people and agreed that a 30% cut is a lot. People are in different tax brackets and she thinks there should be cut or a cap. She thanked the Council for what they do.

Lisa Gosselin, Ward 2, said it is important to have facts. She said Mrs. Howard wants to go back to the 1990s when taxes were lower. Ms. Gosselin said she was here then and didn't see a lot of benefits. The high school had lost its accreditation; downtown was empty; and a lot of people were struggling then. The City has grown so much in 15 years. She has seen people from all walks of life come together on the School Reinvestment Committee to revitalize the educational programming to make the high school better. She suggested talking more about what a 30% cut means.

Mary Walter, Finance Director, talked about equalized property tax rates. In 1990 Claremont ranked 230 out of 237 cities and towns in NH for tax rate. So, the misconception that taxes were lower in 1990 is not true. In 2000 Claremont ranked 232 as well as in 2002. In 1995 the equalized value was \$40.69; we were 227. We have constantly been at this level since 1990. The equalized property value is what the state does to figure out where everyone ranks.

Liza Draper, Ward 3, is concerned about the impact. She has empathy for those that are struggling. We can make cuts that would hamper our and our children's future. As a parent, property owner, taxpayer and teacher, she is worried the direction these cuts could take in affecting our library services (i.e. free access to the internet for job searches and children have a place where books are available for free). Don't make cuts that would leave any department unable to meet the community's needs.

Chris Irish, Ward 3, agreed with Ms. LaBounty about different tax brackets, however that does not have any correlation to what we pay for property taxes. The struggle we have is with the property tax system. There are some people who only talk doom and gloom, but Red River Computer Company will open in less than 30 days. They will bring high tech jobs to Claremont. They have given computers to the schools. This is great place to live. Other communities are feeling the same pains. We won't lower taxes without bringing in more businesses and people. The tax cap won't lower taxes. We've had a tax cap for 7 years of 3% each year. He quoted George Bald saying "water and sewer means nothing, attitude means everything."

Brian Rapp, Ward 2, said a couple years ago he moved to the city because of the potential and growth. It makes no sense to "chop the head off." Keep moving forward.

Bernie Folta, Ward 3, referenced Steve Raymond's comments to an alternative form of tax. He asked if there are other possibilities for selective taxes (i.e. tax on rents).

Cynthia Howard, Ward 2, said the facts speak for themselves. We have the highest tax rate in the state. Reducing spending will lower the tax rate. At the school budget election, 688 citizens voted for Article 5 (reduce school budget by \$8.8 million). The Council can change the direction of the City and can cut taxes. She asked if they have the political will to do it. She urged the Council to act on the petition.

Joe Osgood, Ward 2, said Claremont is said to have the highest tax rate in NH. That is because houses are valued at less than they should be. If they are brought up to value, the tax rate will be lower, but we will still pay the same amount. Mr. Santagate said the tax rate is linked to assessed value and we are at 82%. When that rate is brought up, the rate will be lower. However, he looks at the total tax bill in dollars and Claremont is in the middle of state. We are required to get to 100% assessed value in 2009. If assessments go up, the tax rate will go down, but there will be no change to the tax bill. Mr. Osgood said residents in Sunapee pay more for the same kind of house, because it is closer to a lake.

Bernie Folta, Ward 3, asked if Claremont can get a casino.

Mayor Cutts closed the public hearing.

Mr. Goff asked when “political will” became just for negative purposes. He has the political will to move the City forward and to protect the people that wear the uniforms. He noted the petition that was presented opposing the 30% reductions has signatures that are identified with the printed name, address and ward. The names on the other petition can’t be verified (no printed name, address or ward).

Mr. Raymond is concerned about taxes; he owns three pieces of property. He owns a business and he can’t cut the budget 30% and still keep it going. He doesn’t want to make cuts to the City that would affect the Fire and Police Departments. He’ll vote no.

Mr. Batchelder doesn’t support the petition as presented. He tried cutting 30% from his household budget and found it way too difficult. He’ll vote no.

Mr. Lewis referenced the schools as an example, that cutting 30% would close Claremont Middle School and half of Stevens High School. A 30% cut in the City cannot be achieved by cutting the Planning and Development Department. Emergency services (fire and police) would be involved. He cautioned about what 30% would do to emergency services. He’ll vote no.

Mr. LaCasse said he made the motion to give the people of Claremont the opportunity to be heard. He thinks the debate is great. He thinks there are opportunities to make cuts in the budget which will have to be made because of the \$1.1 million shortfall from the state. He is not happy about the anti-90s sentiment. He was here then and the City made great strides moving forward in the 1990s (i.e. North Street substandard housing eliminated; Washington, North and other streets were paved).

Mr. Austin said he has been in Claremont since the early 60s. He came to the Council 10 years ago, in the late 90s and things were not going well. He was not happy with Prospect Street and the only way to make changes was to get on the Council. The City needed a City Manager to help regardless of cost and they found Mr. Santagate. Even though they don’t always agree, Mr. Austin supports Mr. Santagate 100%. The City is growing, but we are in an interim period now. It is tough right now. He’ll vote no; he doesn’t want to see the cuts happen.

Mr. Picard said he is glad the Mill Projects are here. He asked when taxpayers will see taxes reduced as a result of the Mill Projects coming on line. Mr. Santagate said they are in a TIFD (Tax Incremental Finance District). There are very few economic development tools in NH. Funding investment in that district is done through the TIFD. Any growth stays in the TIFD to pay off bills. The River Road TIFD will mature soon and will be on the tax rolls. Mr. Picard asked if there will be immediate relief. Mr. Santagate said not from the Mill District, but from River Road. When the expiration comes, the Council will decide whether or not to terminate a TIFD and put the money into the General Fund.

Ms. Messier has heard from the community that we should move forward. She is pro development and pro moving forward. She'll vote no.

Mr. LaCasse said everyone in the room is here to grow the City. We need to grow the City with restraint. He thinks 30% is too steep. We will get an 8 or 9% decrease with the state cuts. He asked about a 3% increase next tax time. Mr. Santagate said we budgeted on an anticipated \$1.1 million from meals & rooms tax and shared revenues; we've picked up unexpected retirement costs; and the loss of the \$53,000 courthouse lease is also an issue. We learned about the cuts on February 12th. We began talking about furloughs and layoffs. He agrees with contributing to education, but not on City employee's backs. The Governor restored approximately half of the funds. We are still faced with a \$600,000 shortfall. He will plead the City's case tomorrow night before the House Finance Committee. In 2001, there was a structural deficit in the City, so he laid off 21 people (4 police, 4 fire, 4 public works and 9 others). This is different. There are cities and towns that have grown their staff during good economic times, but Claremont has been unable to restore all people because of a self-imposed 3% tax rate increase. Fire has gotten two back, police one and public works zero, although they got more resources in different areas. We are still 8-10 people less than in 2001. We are now looking at furloughs or layoffs and budget cuts. The property tax is the worst tax. He thinks it is regressive; there is no relationship to what you earn. The City of Claremont employees have done the job and now we have to look at furloughs or layoffs. The question is what we do when the Stimulus money runs out in two years; that gives us two years to plan. The Governor can say he increased contributions to cities and towns. That is inaccurate for Claremont because he increased education funding by taking rooms & meals tax and shared revenues from the cities and giving it to the schools. They gave us one-time Stimulus money to replace the constant flow of revenue.

Mr. LaCasse asked how the Governor is getting around the RSAs (Revised Statutes Annotated) that requires money be sent to the City from the rooms & meals taxes. Ms. Walter said the RSA is in place unless the Budget Committee comes up with another way to fund it and the Governor has said he will veto any sales or income tax. We are not up to the 60/40 split, yet. In revenue sharing we have been at \$470,000 for 10-12 years. There is no other funding source. They will be forced to pass legislation to change that formula. It is the same with retirement. By law they are supposed to contribute 35%, but they are looking to change it to 30%. There is a HB (House Bill) 426 that is in Committee now. Rep. Andy Peterson has proposed a \$150,000 homestead exemption. Claremont doesn't have a mountain or lake, so there is no increase in meals & rooms tax. This homestead exemption would be \$150,000 off your primary residence. For a vacation home, you would pay the full amount of the state tax on all of it.

Mr. LaCasse said his tax bill, since 2000, has gone up 40%. Mr. Santagate said in 2000 he was underassessed. Mr. LaCasse said it was new and it has gone from \$5,000 to almost \$10,000. He believes Claremont is stagnant and until we see some forward movement, we should watch our pennies. Mr. Santagate disagreed with these observations and said that Claremont is positioned for enormous growth. There have been enormous investments made here (i.e. the water and sewer plants). We have 140 miles of paved roads and 80-90 miles of water lines with 13,000 people. He thinks zoning changes are needed. Some people like it the way it is, but what he has heard is that we want better paying jobs and to broaden the tax base. In order to do that, we need to fix the downtown, which we are about to do, and we are about to change the downtown dramatically by extending it by two blocks. When the next growth spurt comes, we will have a boom here like we have not seen before. We need to have a pro-growth attitude and we need to back it up with zoning to allow that to happen. There is a booming city in Keene and Lebanon; we are in the middle. The biggest economic boom was in the 1990s and Claremont missed it. There were three things which contributed to that: 1) he heard the Claremont lawsuit, which he supports, gave the City a bad reputation; 2) revolving door at City Hall (no permanent attorney, finance director, public works director, city planner, city assessor or city engineer, and five city managers in one year); and 3) mean spirited politics that was poisonous. Now there are things going on that are in Claremont's favor. People around the state can't believe that the Mill Project continues forward in this economy. With the Stimulus, the bridge company will double its employment; the fiber company will hire 42 people, the water bottling company will have 50-100 jobs. We need to stay with it and don't gut the projects. We need to decide furlough or layoffs. We need to stay the course and we are positioned for enormous success in the future.

Mr. LaCasse said we need to take a close look at what we are doing and he wants to be part of it.

Joe Osgood said a percentage of business profits tax, business enterprise tax, meals & rooms tax, real estate tax and the tobacco tax are, by law, designated for education. When in Concord, he asked if all of the lottery money is spent on education. By law, 100% of the lottery money has to go toward education. It does, other than administrative costs. In reference to the statewide property tax and the Peterson Bill, he said to talk to people in Concord. If you live in Claremont and the Bill goes through, on a \$125,000 house the taxes will go down \$1,500 a year. The rooms & meals tax is a lateral transfer of Stimulus money. The City will see no benefit from this long term.

Mr. Goff said there is a lot of symbolism in this vote. The voting records of the Council are clear on who supports the positive direction of the Council.

Mayor Cutts said citizens are in charge. There is a strong partnership between the Council, citizens and City administration and that is a foundation of a good successful company. She noted that she can't cut her personal budget, so she will have to look for alternative revenues. That is why she'll go to the meeting tomorrow night (public hearing, Finance Committee, River Valley Community College, 6 p.m.) and let the Finance Committee and the Governor know that she does not approve of the cuts. She doesn't want to change the direction of the City. She likes the direction it is going in. She will not support the cuts proposed by the petition. She wants it known that Claremont is open for business.

Roll Call Vote: Motion failed 0-9 all Councilors voted no.

Mr. LaCasse said he voted no, but suggested when moving forward that the Council use caution. Next budget time he will be looking at the budget to see where we can save money.

A motion was made by Mr. Goff and seconded by Mr. Raymond to acknowledge the citizen petition presented by Roger Formidoni on behalf of 359 citizens.

Roll Call Vote: Motion carried 9-0

Fire Department Boiler

Mr. LaCasse had asked about the boiler at the February 11th Council meeting.

Mr. LaCasse said he would like to make a motion to replace the Fire Department boiler for \$35,000 if that is what the figures came in at.

Fire Chief Peter Chase said we have not gone to bid. During a tour of the Fire Department, Council saw the boiler. It is the original 1917 boiler. It was last serviced in October 2008; there are no replacement parts for it and when the bottom of the boiler fails, there will be no repair. It is still running and is the only heat in the fire station. If it failed, they would have to have emergency temporary heating. He is prepared to go for bid, but hasn't because of finances.

Mr. LaCasse said we are in a tight economy, but we need to replace the boiler and maybe the money could come from tarring one less parking lot and take the money from the General Fund. He would like permission to have Chief Chase send this out to bid. Mr. Goff had a concern about whether or not Council is exceeding its authority. Mayor Cutts said the Council had endorsed the concept and the Chief's concerns, but she didn't recall authorizing the expense of the money. Mr. Goff asked why this is not staying with the City Manager. Mr. LaCasse does not think this is micromanaging the City Manager. Mr. LaCasse said the Council had requested the City Manager go out for bid for a replacement boiler and then bring it back to the Council.

Mr. Santagate said we have prices of \$35,000. In addition, he asked Finance Director Mary Walter to do some research on other items that the City might need.

Ms. Walter said she called the people that maintain the Fire Department boiler and since May 2001 there has been only routine maintenance on that boiler. At City Hall there has been three no heat calls in the last four months. We have lot of units within the City that need replacement at about \$250,000.

Mr. LaCasse said since the Fire Chief brought the concern to the Council and since he is the one that inspects boilers, Mr. LaCasse will take that request to heart. If City Hall needs a new boiler, he suggested City Hall bring that request to the Council. Ms. Walter said a boiler replacement is typically done through the budget process.

Mayor Cutts said we are looking for \$600,000 in cuts and agreed with Mr. LaCasse about spending cautiously. She said the Fire Department is an emergency shelter and it is important to maintain heat there.

Mr. Austin said he had worked in the boiler business and knows that a portable boiler can be put in place within hours, so at this time he won't look at replacing it.

There was more discussion about the replacement and whether this was micromanaging. Mr. Raymond agreed with Ms. Messier that we are at the end of the heating season and the next budget season would be the appropriate time to bring this up. Mayor Cutts noted that the financial situation has changed, but the Council stands ready to act in the event of an emergency.

Bernie Folta, Ward 3, suggested establishing an energy committee to make recommendations for future work.

Victor Bergeron, Ward 1, said he was the Assistant Fire Chief in 1992-1993 and the boiler needed to be fixed then. They had to prioritize a bunch of repairs including the boiler. He said the process to look at the boiler should be started now.

Mr. LaCasse suggested a motion to get the cost of the boiler and how long a vendor can hold the price.

Mr. Santagate acknowledged the boiler is working, but can go at any time. He wants to know the process for capital improvements. In view of the financial things we talked about, we are trying to scrape together every penny. This year he is against taking anything out of Fund Balance unless it is an emergency. With things constantly changing, we may need those funds for matching stimulus money. He feels it is a mistake to move on this at this time and would like to put it in as a budget item in the fall. He's concerned about going for an RFP (Request for Proposal) right now, because that would take a lot of work on the part of the vendor.

Mr. Austin asked to put this on as a future agenda item.

Mr. LaCasse said at the November meeting, Council voted unanimously to have Mr. Santagate to have Peter Chase get a price for a boiler. He suggested making a motion to follow up on this after we find out what the stimulus package is going to do for Claremont and we'll get some prices to see if we can afford this boiler. Mr. Santagate asked to clarify whether the request was to go out to bid or to get a price. His understanding was he was to get a price and he heard it would be around \$35,000. Given the other problems we are dealing with now, his opinion is to not move forward at this time. In a couple of months we will know whether we are dealing with furloughs or layoffs.

A motion was made by Mr. LaCasse and seconded by Mr. Picard to postpone getting an RFP on this boiler until August.

There was more discussion about the boiler and about micromanaging.

Mayor Cutts said in November the Council agreed with the Chief's concern about the boiler and agreed the City Manager should go out and look at prices. Life has changed drastically since November. Unless she hears differently from the Chief, at this moment, she would not vote to replace the boiler. She wants it brought back up in August. It is unlikely that she would support going through next winter, if at all possible, without replacing the boiler.

In reference to micromanaging, Mr. LaCasse talked about the \$19,000 that was spent on the fire alarm system and asked what the difference is. Mr. Goff said he has not seen a specific request from the City Manager to purchase the boiler.

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

Roll Call Vote to move the question: Motion carried 7-2 with Ms. Messier and Mr. Goff voting no.

A motion to amend was made by Mr. LaCasse and seconded by Mr. Picard saying we will discuss going out for an RFP in August. The motion to amend was made after the motion to move the question therefore it was not valid.

Mr. Santagate said he would bring a list of capital improvements items for the Council to choose from. This is not about the boiler, it is about the process and how we will interface. It is a mistake to go there unless we look at a comprehensive plan.

Roll Call Vote on the original motion: Motion failed 2-7 with Mr. Batchelder, Mr. Raymond, Mr. Austin, Ms. Messier, Mr. Lewis, Mr. Goff and Mayor Cutts voting no.

Mr. Santagate would like a chance to discuss with Staff and look at it comprehensively before talking to the Council. He asked what process would be followed for a capital improvement program.

Mayor Cutts said the boiler had come before the Council once before. She would like to focus on the boiler and recognize that our situation has changed drastically. She will support coming back in August to talk about it.

Mr. LaCasse requested to put this item back on the August agenda to see if we can afford to purchase a boiler for the Fire Department. Mayor Cutts asked him to bring it up under Future Agenda Items.

CITIZEN'S FORUM

Brian Rapp, Ward 2, spoke on behalf of the Firefighters union, Local 1571. They are a small fire department and have done more with less. With the last layoffs they have stretched the boundaries of safety by allowing them to go to three people on a shift. National standards say you need four (two in and two out). NFPA (National Fire Protection Association) 101, Life Safety Code, was adopted by the City of Claremont. Since 2001, the Fire Department has been out of compliance in regard to staffing. Now they, along with other departments, are preparing

to take a step backward. If they get the SAFER (Staffing for Adequate Fire and Emergency Response) grant, the City, by applying, agreed to keep staffing at current levels. He said in the Stimulus Package that matching funds have been waived for the first four years and requires the municipality to take over funding in the fifth year. They are being told furloughs or layoffs are imminent. He asked why only City employees have to bear the burden (\$1,500 to \$3,000 salary reduction). He suggested increasing taxes to spread out the burden. A 70 cent increase in the tax rate would increase the taxes \$165 on a \$150,000 home. Layoffs are not a solution. He asked that the Council direct the City Manager to maintain current staffing levels.

Bernie Folta, Ward 3, suggested that call firefighters might have a conflict of interest when voting on Fire Department matters. He asked if such Councilors should recuse themselves. He said he was not directing this to any particular Councilor. [Councilor Raymond is a call firefighter.]

Joe Osgood thinks Mr. Raymond should be able to vote so long as any potential conflict is disclosed.

Steve Raymond is against layoffs in the Police and Fire Departments although two days off a month [furlough] isn't bad.

Cynthia Howard, Ward 2, asked what the total debt load is for the City including bonding.

NEW BUSINESS

Census Bureau Update

Leslie Vogt, Partnership Specialist with the Census Bureau, said the Census Bureau is preparing for the one-in-ten year count of the population. This year it will be short form only; it will be mailed to every household in the U.S.; and will be 10 questions. The long form questionnaire is mailed out once a month and is used to update the information on a yearly basis. Address canvassing will begin April 20th. Census employees will be walking around to update the address list. Each employee will have a bag and badge indicating they are a U.S. Census employee. They will also be carrying a hand held computer. They will knock on the door as a courtesy to let the resident know they are taking the address. They are working to get this information out on the City's website, CCTV and to senior citizens.

Mr. Raymond asked about hiring employees. Ms. Vogt said they have been recruiting and are now hiring the people. People will do the address canvassing in the county that they live. The jobs are full-time temporary and then a year from now they will hire a new batch, twice as many.

Mayor Cutts asked why the census data is important. Ms. Vogt said it is part of the Constitution. The main function is to reallocate the 435 Representatives from the U.S. House of Representatives and it is used in the redistricting of state and city wards. It also directs the flow of federal dollars (Meals on Wheels, Headstart, CDBG (Community Development Block Grant)).

Bernie Folta, Ward 3, said he is a commissioner member of the American Planning Association. They put out a book for planners. He talked about the 2000 short and long forms. The rolling long form is called ACS (American Community Survey). Ms. Vogt said the information for NH is on the website, but Claremont will be on the website in two years.

Approval of Release of Budgeted CCTV Funds – Mary Walter

Ms. Walter said when she puts the budget together in November, she typically puts in an estimated amount for CCTV (Claremont Community Television), until they turn in their budget. This year she put in \$120,000 which is 9% over last year. CCTV is requesting \$136,223. The amount over \$120,000 would have to come out of the Communication and Technology Capital Reserve funds. Ms. Walter asked to approve the budget for \$120,000. The Capital Reserve funds come from the Comcast franchise fees. Typically we receive \$35,000 per quarter. Any amount received over the CCTV budget will be placed in that Capital Reserve.

Keith Druhl, CCTV Executive Director, said Comcast pays the City 5% for the television portion of the bill, not internet or telephone. Mr. Druhl said the requested increase in the budget is to buy a new piece of equipment. The cable operator pays the City for use of the City's right-of-way. The telephone company does not pay that.

Ms. Messier asked if there are restrictions on what the money from Comcast can be used for. Ms. Walter said it could be used to balance the General Fund budget, there are no restrictions. Mr. Santagate said it could be used to save cuts.

Mr. Druhl said now there is no agreement between CCTV and the City. Mr. Santagate said we are trying to find the best way to balance the budget shortfall. Not only CCTV, but every department's budget is being looked at. The more we can take from line items, the fewer furloughs and layoffs there will be.

Mr. Druhl asked about the approval to spend the money. Ms. Walter said the money comes to the City's General Fund and the Council decides where to spend it.

Mayor Cutts asked what the additional \$16,000 (\$120,000 versus \$136,223) would be used for. Mr. Druhl said it would be for internet access and to activate the second channel. Mr. Druhl suggested being cautious about what the money is spent on and that it be directly linked to those consumers that are paying for it. Ms. Messier said since there are no restrictions on how the fee is to be spent, the money could pay the salaries of two firefighters.

Ms. Walter noted that there are lots of taxes such as the 9% communication tax that shows up on phone bills that the City gets none of; the state gets it all. Tonight Council needs to approve the budget for CCTV. If Council wants to approve more than \$120,000 we will have to come back later with a resolution to raise and appropriate the additional money from the Capital Reserve.

Mr. Goff asked if Mr. Druhl could present CCTV's budget during the budget time.

A motion was made by Mr. Picard and seconded by Mr. LaCasse to approve release of budgeted CCTV (Claremont Community Television) funds of \$120,000 payable in quarterly payments.

Mr. Batchelder said when he was on the CCTV Board, it was discussed to present the budget during the City's budget process. He gave kudos for the good job done by Mr. Druhl. Mr. Batchelder will support the \$120,000.

Mr. Lewis would like the CCTV budget brought forth with the department budgets. He asked, with this year's \$9,000 budget increase, if Mr. Druhl can add the second channel or the new equipment. Mr. Druhl said it may be doable using the reserve fund. He would then come back next year to replenish the reserve. Mr. Lewis would like to have that discussion in November. He thinks CCTV is important, but would like CCTV to recognize the current economics.

Ms. Messier acknowledged CCTV's 10 years of doing a great job. She echoes everyone else's concern about where the funds are going.

Mr. LaCasse said this money is a passthrough; it does not come out of taxpayer pockets. This is a worthwhile organization. He will vote for this.

Bernie Folta, Ward, 3, said that CCTV is not a department of the City. One seat on the CCTV Board is a Council seat and is currently empty. Comcast does not service the whole City. With internet equipment, the viewing audience of CCTV could expand if programs are streamed over the internet.

Roll Call Vote: Motion carried 9-0.

Acceptance of \$200,750 Grant for Aeronautical Study and Storm Water Pollution Prevention Plan

Fire Chief Peter Chase made a statement about a fire that had happened previously and that he was very comfortable directing that effort, however he was uncomfortable with the discussion tonight. He said he is very clear on whom he works for and who he is responsible to.

Chief Chase said this grant is for studies and plans (i.e. stormwater pollution prevention plan) that are outdated that need to be updated in order to stay within federal compliance. It is 97.5% funded by FAA (Federal Aviation Administration) and NH DOT (Department of Transportation). The 2.5% local match comes out of the airport reserve fund. There is no impact on the tax rate. He applied in November and the grant showed up Tuesday with a return date of April 5th or we lose it. This is just to accept the grant; he will come back next month with a resolution to expend the funds.

A motion was made by Mr. Austin and seconded by Ms. Messier to accept the \$200,750 Grant for Aeronautical Study and Storm Water Pollution Prevention Plan with thanks to Chief Chase for the work he put into it.

Roll Call Vote: Motion carried 9-0.

CITY MANAGER REPORT

Mr. Santagate read a letter he sent to Governor Lynch about the Mill Projects, specifically the Sawtooth Garage. The State Historic Preservation Office required us to save some historic portions of the Sawtooth resulting in a \$1.5 million increase in the construction cost of the garage. He has requested stimulus or grant money be directed to this project.

Mr. Santagate read a letter he sent to Chief Justice John Broderick, NH Supreme Court, disagreeing with the closure of the courthouse. Claremont makes up 30% of the County's population, but during 2003-2004, over 80% of criminal cases were Claremont residents and currently 70% of people using the court are Claremont residents. The closure will increase the cost and travel time to our Police Department and others. He requested reconsideration of the closure. Also, the City will lose \$53,000 per year in rent revenue.

Bernie Folta, Ward 3, suggested the second letter would have more oomph if it were a resolution.

FUTURE AGENDA ITEMS AND DIRECTIVES

Mayor Cutts said there are two items; amend the five-minute Council Rule and the Fire Department boiler.

Mr. Goff said we are coming up on the 20th anniversary of the Claremont lawsuit. He thinks it would be appropriate to explore a joint resolution with the Council and School Board to signal the anniversary of the lawsuit and also finding common ground to resolve this. Twenty years hasn't made lot of difference in progress. It is time for a definitive resolution.

There was discussion about the Fire Department boiler. Ms. Messier believes the boiler issue is not appropriate for Council discussion. If the City Manager wants to expend money, he will bring the request to the Council. Mayor Cutts said she will not support any effort to micromanage the activities that she considers the City Manager's responsibility.

A motion was made by Mr. LaCasse and seconded by Mr. Picard to discuss the Fire Department boiler in August.

Mr. LaCasse said the Mayor is not the only one who can set an agenda. Five or more Councilors can vote to put an item on the agenda. He wants to know the rough cost to get the boiler replaced. Ms. Messier said we've heard that it is \$35,000. Mr. LaCasse would like it verified.

Bernie Folta, Ward 3, said the Charter does not have anything about how things get on the agenda, which needs to be fixed.

Roll Call Vote: Motion carried 5-4 with Mr. Raymond, Mr. Austin, Ms. Messier and Mr. Goff voting no.

Mr. Lewis asked about the plan for furloughs. Mr. Santagate said we went from losing \$1.1 million in revenue to losing almost \$600,000, which has changed the directives. We need agreement from all parties: fire, police, public works, and clerical unions, and merit plan employees on the furloughs. We could get by with one day a month furlough (5% pay cut) and other cuts. Equipment and vehicle replacement is through the operating budget. It is on a revolving yearly plan which doesn't make sense to cut because of minimal savings. We can't get enough cuts through budget cuts. We need an answer from the unions by March 20th. If there is a no vote for the furloughs, we will have to go with the layoffs and budget cuts. By March 21st, he hopes to have a decision. It is a decision that he has to make, not the Council.

Mr. Goff said he has gotten phone calls and the message is imperative to differentiate essential and non-essential jobs. His opinion is that life safety areas should be the last to be affected. He said Mr. Santagate's name will not be on the ballot, but he needs to be plugged into what Councilors are hearing.

Mr. Santagate said he is looking for agreement from all areas for furloughs, but if they don't want to do that, layoffs are clearer where we stand. The question of where to cut is tough. Furloughs will keep all departments intact.

Mr. Lewis said he has received lots of phone calls with the resounding message he heard is that they feel it is unfair to place the burden on City employees versus spreading the cost among all citizens of Claremont. Young families have young children and they want the benefits of emergency services. He doesn't want to lose those services.

Ms. Walter said we looked at putting it onto the tax rate, but it would have been \$1.53 more (half of that now with restoration of room & meals money).

Mr. Lewis is concerned if the burden is placed solely on the employees, how long will it be before they look elsewhere for employment.

Mr. Santagate said we are also looking at attrition. Ed Tinker, Assessor, is also filling in as Planning and Development Director. Mr. Santagate will probably make Mr. Tinker Planning and Development Director and Mr. Tinker will oversee Assessing for the foreseeable future. Eventually the Assessor position will have to be filled. Legal/Finance Assistant position has been lost. She moved into the vacant Assessing Clerk position. We have had some attrition from police and fire. We don't have a big turn over.

Ms. Walter said half of the top 20 cities and towns on the Governor's list for reductions in state money are in our area.

Mayor Cutts reminded Council that Mr. Santagate needs to make the decision and asked that any feedback received by the Council be shared with the City Manager.

Mr. Raymond echoed Mr. Lewis' comments. He has received phone calls from citizens and City employees. They want to see the City move forward; they don't want to see layoffs.

Mr. LaCasse said he has received phone calls with suggestions such as turn off every other street light or don't idle trucks. Mr. Santagate said we are looking at all of those options. Mr. LaCasse said nobody wants people laid off or furloughed, they would rather cut services. Mr. Santagate said it is a balancing act.

COMMITTEE REPORTS

Master Plan Committee

None

CONSULTATION WITH LEGAL COUNSEL

None

ADJOURNMENT

At 11:41 p.m., a motion was made by Mr. LaCasse and seconded by Mr. Picard to adjourn.

Motion carried 9-0.

Respectfully submitted,

Dorée M. Russell
Clerk to the Council