

The Claremont City Council held a meeting on Wednesday, August 12, 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

Mr. Goff said he had been working with School Superintendent Jacqueline Guillette on a project over the last 18 months on issues of poverty. There are 119 students that are homeless in Claremont; 60 students have an incarcerated parent(s), 40%-50% students qualify for free or reduced lunch. According to Turning Points, there has been a 400% increase in requests for shelter this year. There has been a 40% increase in requests for child advocacy this year. The Kids Closet at the schools outfits 5-10 kids per week with basic needs (underwear, socks and shoes). Trinity Episcopal Church serves 30-60 students breakfast every morning and is now an official bus stop. The new dental center is operating at 100% capacity. Dr. Ruby Payne has been invited to speak to Newport and Claremont educators (approximately 700) on August 31, 7 a.m.-3 p.m. about understanding poverty as it relates to the school system.

Council invited Ms. Jacqueline Guillette, Superintendent of Schools, to speak. She said Ruby Payne is a nationally known speaker on poverty and its impact on education. SAUs 43 and 6 are coming together to sponsor this effort. Buses will run from the different schools to Stevens High School. Dr. Payne will start speaking at 8 a.m. She invited the Council, City Administration and Department Heads to join for free. Claremont is part of the sponsoring group. For all others, tickets are \$100.

Mr. Raymond asked if volunteers were needed. Ms. Guillette said yes, send e-mail to Tammy Root, Director of Professional Development Center for SAU 6.

Mayor Cutts read a Family Day proclamation; the fourth Monday of September was proclaimed as Family Day.

REPORT OF THE SECRETARY

A motion was made by Mr. Lewis and seconded by Mr. Raymond to accept the minutes of the July 8, 2009, City Council meeting.

Mr. Goff abstained because of his absence from that meeting.

Roll Call Vote: Motion carried 8-0, with Mr. Goff abstaining.

APPOINTMENT TO BOARDS AND COMMITTEES

None

Bernie Folta, Ward 3, was concerned with boards and committees appointments. He said games were being played and that discourages people from serving on boards and committees. There has been a vacancy on the Planning Board since March 31. The Planning Board appointment is a mayoral appointment. The deadline was set for March 31 and then a choice would be made. The application for appointed member, Ryan Puckett, came in after that deadline. He said it looks like people are fishing for acceptable candidates. This causes distrust in government. He passed out a handout that showed, according to experience, Ms. Puckett is not the most qualified. He said his intention is to attempt to have Claremont get cleaner and get its act together. He questioned the answers on the application

OLD BUSINESS

Ordinance 509 Municipal Parking Garage – Second Reading – Public Hearing

Ms. Taylor said the City is not able to enforce the parking regulations in the Sawtooth Parking Garage unless it is designated a parking facility. Currently, there is an anti-loitering provision in the City Code that applies to business parking lots, but not to public parking lots. As requested by Police Chief Alex Scott, this ordinance adds public parking lots (including the parking garage) to that provision.

Mayor Cutts opened the public hearing.

Jim Neilsen, Ward 1, talked about Section 1, Sec. 19-108 (c) no parking longer than 10 hours.

Mayor Cutts closed the public hearing.

Mr. Batchelder read the Explanation of Proposed Action into the record.

A motion was made by Mr. Batchelder and seconded by Mr. Raymond to adopt Ordinance 509 Municipal Parking Garage.

Roll Call Vote: Motion carried 9-0.

Bank Avenue

Mayor Cutts read the cover memo about Bank Avenue from Mary Walter dated November 9, 2005. The issue was dropped and no further action was taken.

Mr. LaCasse didn't agree that the issue was dropped. He has looked at the area and agreed it is an issue and there is a possibility of water undermining Mr. Bonneau's house. He thinks the Council should take action to complete what it started. He thinks there should be closure to the issue.

Mr. Picard said he looked at the situation. He agreed there is a problem there and it is not far from becoming a major problem. Water is starting to undermine the bank on Mr. Bonneau's property. In 2005, Council voted to allot \$30,000 to get the work done and it should be done.

Mayor Cutts read excerpts from the minutes of the November 23, 2004, Council meeting where a motion was made by Councilor Irish and seconded Councilor Giannuzzi to undertake the Bank Avenue drainage project at a cost of up to \$30,000. After discussion, Ms. Giannuzzi withdrew her second and the motion failed. Mayor Cutts also quoted from the April 13, 2005, Council minutes where Ms. Giannuzzi stated they checked Roberts Rules of Order and if the motion did not have a second, it failed and it was dropped.

Paul Bonneau, Ward 1, doesn't understand that an offer was made. The offer was made and then the second was withdrawn, so therefore an offer was never made. He said he has made a number of attempts to make a deal with the City and has been ignored. He said the City has been dumping water and ruining that property for a long time. The City changed the flow of the stream. He said he has a letter admitting that.

Mr. Bonneau read from a letter dated August 30, 2001, from the Department of Environment Services (DES). It said Mr. Goss from DES had conducted an inspection on June 27, 2001; the town had done utility work and the alignment of the seasonal stream had been altered. He said he was told that it would be put back to its original flow, but never was. Sediment is most prevalent during seasonal storms. According to the letter, this is due to the stream banks being armored with logs. Mr. Bonneau said he and Mr. Neilsen had done that to save their properties. Mr. Bonneau said there was no mention in the letter of removing the logs. Mr. Goss noted there was no permit on file to put the logs up. He said Mr. Goss suggested straightening the stream to more closely reflect its original alignment. The Wetlands Bureau would not authorize such because alternatives appear to exist which would result in less disturbance to the stream bed and bank. The City helped the owners apply for a permit from the Wetlands Bureau, but it expires in November 2009. Mr. Bonneau said in 1990 the City sent him a letter that the City would do work on that stream bed. They would maintain the flow of that stream within its banks. The work never got done. After a high water flow, Public Works went down and cleaned debris from their yards. In 2000, it happened again. There are no stream banks there now.

Mr. Goff said the land is in a federally designated flood zone. Property owners have certain responsibilities because the property is in the flood plain. To him it looked like water had been diverted because of adjustments made with the landscaping logs. He thinks it is a stretch to go back 20 years when Mr. Bonneau has adjusted the diversion of the water without engineering licenses to do that. Mr. Goff said he is not an engineer, so he can't say if it is caused by adjustments made 20 years ago or what has been allowed to happen over time.

Mr. Bonneau said the City hired an engineer and the engineer found problems with what the City did. There are 27 rain drains that empty into that drainage system and they are never cleaned. When it rains, debris is dumped on the property. If it were only water, he wouldn't have a problem. He is claiming that at that point, the City is directing that onto his property and that the problem started when the City changed the stream. Mr. Goff asked how long ago the rain drains existed. Mr. Bonneau said he didn't know. Mr. Goff suggested the rain drains predate Mr. Bonneau's ownership of the property. Mr. Bonneau said it changed when they changed the stream down below.

Mayor Cutts asked what Mr. Bonneau wanted the Council to do. Mr. Bonneau asked for a motion to fix the problem and vote on it tonight.

Jim Neilsen, Ward 1, said the City wanted to put a sewer clean out on his property and to do that, he claimed they had to redirect a seasonal stream. He said that the City cut in five fingers which allowed it to drain and now the sediment has built up. He spoke about the easement. He noted the City doesn't go onto private property. The work could be done within the 15 foot right-of-way. From 1942 to 1990, this was hardly an issue. From 1990 to now, the City has not done any maintenance and sediment has increased 4 feet in the last 2 years. He has already lost 1 acre to the wetlands. He doesn't want to lose his other acre to wetlands. He's okay with getting rid of the easement, but asked where the box culvert would go. All he's asking is that the 15-foot easement be maintained. Pathways is asking for a 5-foot wide berm, but he thinks that is excessive. The \$30,000 offer was not acceptable. It would cost \$45,000 for a private company to do the work (\$15,000 out of his and Mr. Bonneau's pockets) plus they would have had to sign for all future liability.

Mr. Santagate said this issue has a lot of history. Paul Fredette, former Public Works Director, had concluded that this is not the City's issue. Bruce Temple has looked at that recently and concluded there would have to be more evidence. He asked Council not to vote on this tonight. He would like to have a meeting with Messrs. Temple, Bonneau and Neilsen and then come back to the Council. Messrs. Bonneau and Neilsen agreed to the meeting.

Mr. LaCasse said Council should have a special meeting to discuss only this.

Mr. Austin said this is a complicated issue. He understands from previous discussions that putting the flow back where it was isn't the answer because of the wetlands and cemetery beyond that. He would be interested in the results after the meeting with Mr. Santagate.

Mr. Picard reminded the Council that the permit runs out in November 2009 and should be addressed immediately. He doesn't believe it is a designated flood zone. He believes the City

admitted liability by hiring engineers and the City owes an obligation to address this before the permit runs out.

Ms. Messier watched this in 2003 and thought it was murky. The engineer thought it wasn't the City's responsibility. The report doesn't state who is responsible. She supports the meeting with the City Manager, Mr. Temple and the property owners.

Mr. Picard asked if the meeting can occur in two weeks. Mr. Santagate said that is the objective. Mr. Picard asked for the resolution to come back to the Council.

Mr. Santagate said he will get back to the Mayor when he gets enough information to conclude what we should do. Mayor Cutts asked if there is no resolution to bring that information back to the Council.

Mr. LaCasse if it would be possible to extend the permit. Mr. Santagate will talk to the engineer to see if it is common practice.

CITIZEN'S FORUM

Pam LaBounty, Ward 3, said they are having a benefit jam for the Claremont Soup Kitchen at the Moose Lodge August 23. There will be four bands; cost will be \$7 in advance; there will be a silent auction for a stay for two at the Goddard Mansion. Cost will be \$10 on the day of the event. Last year they raised \$2,300. See her or Jan Bunnell for tickets.

Steve Raymond, Ward 1, is concerned with the traffic in the park across from Stevens High School (Monadnock). There is parking on both sides of the road going out to Chestnut Street which creates a hazard. He thinks there should be no parking on the cement wall side of that road.

Jack O'Sullivan, Ward 1 and Greater Claremont Board of Realtors, said there are 109 single family residents on the market; 8 are foreclosures. There are 32 multi-family units on the market; 3 are foreclosures. Unit sales this year compared to last are off 1.7% in Sullivan County. The median sale price is down 12%; average number of days on the market is 8% fewer. We are seeing a reduction of prices and an increase in rapidity of sales. The \$8,000 tax credit expires November 30th. He read from a press release from the NH Association of Realtors that said home sales have jumped 6% in July in this state (July 2008 to July 2009). The 2009 prices statewide lag behind last year. June foreclosures, as reported by NH Housing Finance Authority, are down 22% from the previous June. Mr. LaCasse asked how much the average foreclosed house is selling for. Mr. O'Sullivan said it is below the assessed value and varies with the price of the house. Mr. Goff said it is based on the debt in the house. Mr. LaCasse asked if it is centered on specific neighborhoods. Mr. O'Sullivan said no, it's spread throughout the city.

Brian Rapp, Ward 2, said he has heard a lot of attacks on public employees about retirement. A lot of it has to do with private detail pay. The City has always had to put up the state's portion. He read a letter from David Lange, President of Public Firefighters of NH in reference to pensions. There are three sources that fund this obligation: employees, interest and employer

contributions. From 1987 to 2007, employees paid 19%, employers paid 17% and plan investment returns paid 64%. There was a lopsided payment and now approximately 52% of the employer cost goes to pay that off. Police and Fire do not receive social security.

John Marini, Ward 1, talked about his application to a board or committee submitted a few months ago. He moved to Claremont 9 years ago. In reference to applying for a seat on the Planning Board, he said you don't have to be educated to make a difference. He wants to help Claremont move in the right direction. He would be happy to get on a board or committee. Mayor Cutts said she will follow up with the City Manager.

NEW BUSINESS

Congressman Hodes Representative – Leigh Marthe

Leigh Marthe said she brought greetings from Congressman Hodes. She was listening to what is going on in Claremont. She will take the information back to the Congressman. Her office is located in Keene where she can be reached any time. If there is anything they can do on the federal level, they will try to do what they can. Mr. Santagate thanked Ms. Marthe for coming and to let the Congressman know that Claremont is delighted with the service we have received from the Congressman. He thanked the Congressman for the recent grant the City had received.

Bernie Folta, Ward 3, talked about the Northern Borders Regional Commission (Congressman Hodes was instrumental in it). It includes Sullivan County and Congress just made a multi-million contribution to get it off the ground. He said to keep an eye out for new opportunities for Claremont.

Acceptance of \$2,382.60 Emergency Light & Siren Package from Whelen Engineering Co.

Fire Chief Peter Chase said Claremont had requested Whelen Engineering outfit the new brush truck with an emergency light and siren package, which they did at no cost. Chief Chase asked the Council for permission to accept it.

A motion was made by Mr. Batchelder and seconded by Mr. Picard to accept \$2,382.60 Emergency Light & Siren Package from Whelen Engineering Co. with thanks.

Roll Call Vote: Motion carried 9-0.

Acceptance of Antique Air Compressor

Mary Walter, Finance Director said the City was contacted by Sullivan Palatek in reference to accepting an antique air compressor. They asked if they could donate it to us. It is stored at the armory. Mr. LaCasse said it was manufactured in 1929 at the original Sullivan facility and they would like to donate it to the City.

Mr. Picard asked where the City plans to house it. Ms. Walter said the goal is to put it at the Visitor's center (it is heavy and would need a cement pad). It is protected in the armory now.

A motion was made by Mr. Raymond and seconded by Mr. LaCasse to accept the antique air compressor.

Roll Call Vote: Motion carried 9-0.

Claremont Development Authority Presentation

Joe Gorman, Chair of the Claremont Development Authority (CDA), Mike Satzow, CDA member and Nancy Merrill, Business and Development Coordinator, gave an overview of the CDA. Economic development goes back to 1950s and 1960s. During the 1980s and 1990s economic development existed in the form of CDBG (Community Development Block Grant) grants. Municipalities had to have an administrative entity to apply for and administer funds from the CDBG. Since the 1990s funding has gone to regional or state development authorities. In 2003, the Council adopted an updated set of by-laws and changed the name from the IDA (Industrial Development Authority) to the CDA whose mission was refocused to the downtown area. In 2003, the number of members changed from 18 to 9. The CDA advises and counsels on City development. One key initiative was the Farwell building which the City acquired in 1994. The CDA purchased it in 2000. Assessed value in 2000 was \$121,000. Assessed value in 2008 was \$293,300. The building is occupied on the first level with the exception of one small area. The second floor is dormant. Mike Satzow said the CDA was the only bidder in 2000 for \$100,000. They wanted to show that Claremont was the place to be.

Mr. Gorman talked about some other projects: Fulling Mill Fly Fishing (Orvis Flies); Mikros Manufacturing Inc.; 462 River Road (Claremont Flock & Tiara Holdings); Mr. Satzow said that due to the leadership of Allen Whipple, all of the River Road properties were put into the TIFD (Tax Incremental Finance District). Mr. Gorman said in conjunction with the vision of the TIFD, was a vision that residential and industrial properties did not co-exist, so two residents were purchased which became Ashley's Landing. More projects: River Road, Lot 6 of Ashley's Landing, Yankee Veneer; 340-354 Plains Road, Former Coy Paper Co.; 2 Pleasant St., Brown Block (1st new market tax credit program in NH) CDA acting as loan vehicle for final piece of funding; 21 Water Street, Wainshal (Assessment 2007 \$87,500, Assessment 2009 \$12,271,200), Red River Computer Co., Common Man Inn & Restaurant 100+ jobs; Revolving Loan Fund (CDA is secondary lender), Revolving Loan Fund replenished by payments on existing and past loans and prior federal grants.

Mr. Picard asked about the outstanding debt and who would be on the hook for non-payment. Mr. Gorman said it is a pass through bond. The risk is the CDA's interest lost on the transaction. Other loans are funds of CDA (revolving loan). Buyers are paying interest and it continues to grow. Mr. Picard asked if more income than debt is coming in. Messrs. Gorman and Satzow said yes. Ms. Merrill said on the two BFA (Business Finance Authority) loans, they specifically protect taxpayer funds.

Mr. LaCasse asked about the IDA with its 18 members. Mr. Santagate explained the group was too big, so he scaled it back and broadened its scope to include not only industrial development, but also community development. Financing today is complex. The CDA membership is very important for its vision. Loans come from the Business Finance Authority, passes through the CDA to the business and the only thing the City would lose is the interest, if there are any problems, and we wouldn't have gotten it anyway. CDBG grants that go to for-profit businesses are loans and they have to be paid back and then it stays in Sullivan County. He is grateful for the people who serve on the CDA. The City has used the CDA to help on a lot of fronts and they have been a partner on other fronts. Mr. LaCasse asked about the group going from the IDA to the CDA, but it is not mentioned in the Charter. Mr. Santagate said Attorney Matt Upton revised the by-laws in 2003. Ms. Taylor said the Code was not updated when the by-laws were updated. She said last summer this was brought to the Council and the Council chose not to go forward with it. Mr. LaCasse asked about renting the Farwell building at fair market rents. Ms. Merrill said the rent is \$9-\$10 per square foot and they pay utilities. The dental clinic pays \$4 per square foot and they pay all other costs because they paid for updating the building by investing about \$100,000.

Ms. Messier said in 1999 NH Main Street was looking to revitalize the city center. IDA was a big supporter (donations). That was the start of all this.

Mr. Austin remembered where Claremont came from and where it is now. Mr. Satzow said for 15 years that Claremont did not have a local business loan officer. CDA helped with loans during that period.

Mayor Cutts said in reference to transparency she now has a better understanding that the law prohibits some things from being disclosed publicly.

Mr. Satzow said that investors believe in not just the City Manager, but the community.

Mr. Picard noted that the CDA meets early in the morning and asked if they can hold some meetings in the evenings. Mr. Satzow said they can accommodate that.

In reference to transparency, Mr. LaCasse asked to post the CDA minutes on the City's website and said that we could use more jobs in Claremont.

Bernie Folta, Ward 3, had questions about how much money the CDA is responsible for; how much property and property value the CDA is steward of in Claremont; where did the old money come from and how much is it. He had questions about the linkage between the City and CDA. He asked about any other contracts, Memos of Understanding or other documents that define the relationship between the City and CDA. He said the CDA is not used to people watching them. He would like the minutes put on the website. Referencing non-public meetings, he wanted to know what number of other cities have non-public meetings.

Candy Crawford, Ward 2, CDA member, said she would be upset if they left the discussion with the negative thoughts of Mr. Folta and will be happy to get more information, if needed. The responsible work that CDA does, loan negotiations, have a sensitive confidential nature. Much

of their work is loans and is done in private. The objective is to lower the tax rate and get more businesses on the tax rolls.

Mr. LaCasse asked for an answer about how much money the CDA has. Mr. Satzow said it is put into the Council packet every month. If more information is needed, CDA would be happy to supply it.

Ms. Taylor said in reference to transparency and non-public meetings, the enabling legislation for the CDA, RSA 162-G contains a provision expressly for the issue of conducting review for potential loans in a non-public session. CDA is expressly permitted to do that. When CDA discusses NH Business Finance Authority transactions, their statute has a provision exempting them from RSA 91-A.

Council thanked CDA members for the presentation and the work they do

Cynthia Howard, Ward 2, would like to see CDA meetings televised. Mr. Batchelder said it is a matter of volunteers taking a training course and taping the meeting.

Resolution 2009-13 Reduction of 2009 Approved General Fund Budget – Public Hearing

Mr. Santagate said this resolution is to significantly reduce the 2009 budget. We are in very difficult economic times. We understand we should do everything in our power to alleviate the tax burden where possible without gutting services people want. The City has taken painful steps to achieve these numbers: frozen 4 positions, eliminated 5 positions, other budget cuts and for the third straight year, City Administration and Council will level-fund the budget. We have, essentially, not raised property taxes in Claremont since 2006. We don't speak for the schools or County as we have no control over them.

Mary Walter, Finance Director, showed a PowerPoint presentation about the City Tax Rate Projections: General Fund Budget.

Steps Taken to Ease Property Tax Burden

Reduction in Expenses \$704,836

Some of the Cuts

Tax Rate Comparison Since 2007

2007 Tax Rate \$12.94

2008 Tax Rate \$12.93

Tax Rate Comparison – As Passed with No Change in Assessed Values

2008 Tax Rate \$12.93

2009 Tax Rate \$13.33 (was an anticipated 3% increase – first increase since 2006)

Tax Rate Comparison – With Just the Change in Assessed Value

2009 – With Old Values \$13.33

2009 – With New Values \$12.30 (Drop of \$1.03 per thousand)

Tax Rate Comparison – With Reduction in Budget and New Values

2009 – With New Values \$12.30 (Drop of \$1.03 per thousand)

2009 – With New Values & Budget Reduction \$11.86 (Drop of \$1.47 per thousand)

Estimated City Tax Bill on \$150k home (2009 updated) \$1779

Where your tax dollars are spent

School – Local 43%

School – State 8%

(School-Combined = 51%)

County 9%

City 40%

Allocation of City Tax Bill \$150,000 home, Total Bill = \$4,507, City Portion = \$1,778.83 = 39% of your total bill

Daily Costs for city Services

Average Home of \$150K costs \$4.87 per day

Based on Residential Median Homes Sales for June 2009. Where does the tax bill for Claremont compare?

Claremont is in the middle

General Fund Debt

\$2.14

\$1.52 goes to fund debt in 2009

There was discussion about tax rate versus tax bill. Ms. Messier clarified that her bill for living in a full-service community is about the same as other communities (i.e. Hooksett, Milford, and Somersworth) which are not full-service.

Mr. Goff asked about effects as related to the Governor taking the \$110 million health/malpractice money for the state budget. Ms. Walter said, coincidentally, the meals and rooms tax is \$110 million. Our shared revenue is \$576,000. If the state takes that money, the tax rate would go up to \$12.20 or \$12.30. She said per Representative Ray Gagnon, the state won't do anything for a couple years. She is counting on the shared revenue of \$576,000 coming to the City in December. Mr. Santagate said the \$110 million fund was created by state law for medical liability. The state said they are taking it. The doctors said they would sue. If that happens, he is concerned the state could come back and take the meals and rooms tax and revenue sharing. If it happens, Claremont, along with everyone else, will be in trouble in 2011 when the stimulus money is gone, because it was used for ongoing expenses. Mr. Goff said he was concerned with reducing taxes if the state cuts further.

There was discussion about revenues, school stimulus money and level-funding.

Mr. LaCasse asked if we level-fund at the current rate and the surplus went into the General Fund and the state has a short-fall, can we stabilize the tax rate at the Claremont level. Mr. Santagate said we don't know where the cuts will be. Mr. LaCasse asked how bare bones do we want to go. Because of the state's actions, we may have to cut services or raise taxes. Mr. Santagate said if the state zeroes in on cities and towns, that will be the choice we will have to make. Mr. LaCasse talked about the 3% increase versus level-funding. Mr. Santagate said if we make the cuts, that would level-fund the budget. If we stay with the 3% increase, the extra would fall into Fund Balance at the end of the year. Mr. LaCasse asked if we could "flat line" this for another couple of years. Mr. Santagate said our budgets are very thin. We are better off with some kind of cushion. We would have \$250,000 - \$300,000 cushion with the 3% increase.

With zero increase, we don't have that surplus. If the 3% is left in the budget, the tax rate would still go down, but not as much. There was lots of discussion about the tax rate.

There was discussion about the tax rate going down because of the revaluation. Mayor Cutts noted the passing of this resolution would result in cuts that affect people and the services supplied by the City. Ms. Walter said there are cuts and position freezes in this resolution. Ms. Walter said starting in 2010 the budget is \$470,000 short because shared revenue is a two-year thing.

Mayor Cutts opened the public hearing.

Bernie Folta, Ward 3, suggested re-examining the processes to have better service and lower costs.

Steve Raymond, Ward 1, said his assessed value went up over \$20,000 and he is concerned his tax bill will go up significantly.

Cynthia Howard, Ward 2, said she is in favor of a budget reduction. She favors the \$11.86 tax rate. She said there should be no lay offs. The City should streamline administrative office services and share services.

Mayor Cutts closed the public hearing.

Mr. Picard said he had gotten complaints about not being able to get through to Assessing. Ed Tinker, Assessing Director, said they had phone problems and have gotten back to all callers that left messages. They would continue to take calls, if needed.

Mr. Goff said he can't support a gamble. He supports the direction the City is moving in. This proposal is cutting City services too thin. It is putting off a problem that we know we will have later. We can't control state revenue, but we can control the City's revenue. He thinks we should maintain a surplus in the budget.

Mr. Austin read the Resolution into the record.

A motion was made by Mr. Austin and seconded by Mr. LaCasse to adopt Resolution 2009-13 Reduction of 2009 Approved General Fund Budget.

Mayor Cutts said she is uncomfortable with this cut, but people are hurting and she will vote in favor of the resolution as the right thing to do.

Roll Call Vote: Motion carried 6-3 with Messrs. Raymond, Lewis and Goff voting no.

Tax Cap Petition/Charter Amendment

Mr. Santagate said City Administration received the petition requesting a tax cap be placed on the November ballot. He had proposed a tax cap be considered in December and a public forum

was held in January 2009. In 8 years as a resident of Claremont, he said he has never signed a petition. He signed this petition to put it on the ballot because he thinks it is the right thing for the City. He applauded the efforts of the local group that circulated the petition. Timeliness is key and the time is laid out by state law.

Ms. Taylor said the petition has a total of 440 signatures. Only 375 were needed to go forwarded. 396 signatures were certified. As required by state law, the City Clerk reports to the City Council that she has received and verified the petition to amend Claremont's Charter. The next step is to put it on the ballot. We need 60 clear days from the election (November 3rd) and the date this can be ordered to be put on the ballot (September 3rd). To put this on this year's ballot, Council needs to hold a public hearing on the Charter amendment and its language as soon as possible. It needs to be published in a paper of local circulation (Valley News). Council doesn't need to formally accept it, but does need to set the public hearing before September 3rd.

A motion was made by Mr. Lewis and seconded by Mr. LaCasse to order a public hearing to discuss the charter amendment in regard to the tax cap on Tuesday, August 25th, 6:30 p.m. in Council chambers.

Mr. Goff asked about the process for putting this on the ballot. Ms. Taylor said after the public hearing, Council votes to put it on the ballot (majority vote). Council has to file a report within seven days after the public hearing with the text of the amendment with the City Clerk.

There was a discussion about available dates, but not all Councilors would be able to attend.

Roll Call Vote: Motion carried 9-0.

Council thanked all who worked to get this together.

Bernie Folta, Ward 3, thinks it appropriate that Mr. Santagate signed this petition. This is a spending cap, not tax cap. Claremont is not the only city to go for a tax cap. There is a challenge in Concord that the cap may be unconstitutional (infringing on powers of the city manager). This is a Charter amendment (fix one thing fix). There is another process that is a Charter revision which he hopes to see.

Ms. Walter showed a PowerPoint presentation about the Tax Cap.

Tax Cap Info

What the City has raised

2007 - \$9,319,494

2008 - \$9,408,995

2009 - \$9,703,507 (this was passed in November 2008)

2009 - \$9,356,681

What the Tax Cap would have allowed

2007 - \$9,552,481 Additional \$232,987

2008 - \$9,944,133 Additional \$535,138

2009 - \$9,945,127 Additional \$241,620

2009 - \$9,945,127 Additional \$588,446
Tax Cap if Passed in November (assuming no new construction)
2009 Tax Effort
As passed in November 2008 - \$9,703,507
As proposed in August 2009 - \$9,356,681
CPI – Urban (as of June) = 2.7%
(Nov. 2008) Allows tax effort of - \$9,965,502 (Increase of \$261,995)
(Aug. 2009) Allows tax effort of - \$9,609,311 (Increase of \$252,630)

Ms. Walter said we have had our own internal tax cap and that is why the City Manager is not against a tax cap.

Mr. Santagate said this caps the City's portion of taxes. It does not cap the county or schools. He agreed with the cap.

Brian Rapp, Ward 2, said Concord's cap has been ruled unconstitutional.

Cynthia Howard, Ward 2, said we already have a built-in spending cap, but this doesn't prevent the Council from further reducing the budget. There is an escape clause; Council can overrule this, if needed.

Motion to Authorize Sale of City-owned Property at 796 Main Street – Public Hearing

Ed Tinker, Planning and Development Director, said in May the Council authorized the Planning and Development Department to sell two parcels at 796 Main Street (map 68, lots 14 and 15). Statements of interest were sent and two responses were received from Kevin Bonneau, Claremont Youth Soccer and Jim Baird, Innovative Homes). Applications were reviewed and scored by Mr. Tinker; Peter Dzewaltowski, City Planner; Bruce Temple, Public Works Director; Mary Walter, Finance Director; and Nancy Merrill, Business Development Coordinator. Claremont Youth Soccer Association anticipates giving the land back to the City and their offer was \$10. Innovative Homes is an abutting property owner. He wants to expand his business. He anticipates having three full-time employees and three sub-contractors. His offer was \$25,000. Staff recommends selling to Innovative Homes.

Mr. Raymond asked about impact on the wetland. Mr. Tinker said because he is an abutting owner, he would have room to keep development away from the river.

Mr. Picard asked if the soccer association would maintain the property. Mr. Tinker said they would develop it then give it back to the City.

Mayor Cutts opened the public hearing.

Don Paquette, Vice President of the Claremont Youth Soccer Association, said his organization was approached by Mike Lemieux about this potential property. They need more playing fields for Claremont even with the Lowes project at Monadnock Park.

Mr. Goff asked what business Mr. Lemieux owns. Mr. Paquette said Pine Hill Construction.

Kevin Bonneau, President of the Soccer Association, said as we continue to grow the community, he doesn't want to see quality of life pushed aside. There are 350 kids in the program and they need more field space.

Mayor Cutts asked how much field space they have now. Mr. Bonneau said they use field at the Middle School and the Sugar River Valley Technical School. In the fall they use Veteran's Park. Next year they will use the field in Monadnock Park.

Mr. Picard asked who would maintain the property. Mr. Bonneau said the expectation would be the City.

Jim Baird, Innovative Homes co-owner, said over the past three years, they have petitioned the City to sell this property to them to expand their business. The work done on their property was done in anticipation of the abutting parcel going up for sale, although no promises were made. They have a construction company on their property and they have a right-of-way that will be used for equipment. There is an issue about how far this parcel is from the heart of the city for kids to travel to. They recognize this will be the first business people see as they enter the City and they designed their plan around that fact. They may have six employees, but they work with other local businesses.

Mr. LaCasse asked about the vision for the property. Mr. Baird said it would be like a small community with buildings and walkways; it would be lit up and lawns would be mowed. They are aware of the wetlands and will have it delineated. With the purchase of the front lot, they could maintain the grass so that the buildings that are currently there can be seen. These are modular homes. They also have manufactured homes, but they will not be on display.

Mayor Cutts asked if permits had been looked at in order to expand the business and if there would be any problems. Mr. Baird said they hired someone three years ago to find out what is there and what they have to work around. Mayor Cutts asked what they plan to do with the land if they are not able to do what they want to. Mr. Baird said reduce the number of models.

Mike Lemieux said he hired a soil scientist; the right side is a wetland and it is in a 100-year floodplain. When he asked what the use should be, he was told athletic fields. Soccer fields will allow visibility for Mr. Baird's property. Mr. Lemieux would like to see the property not transfer until all permitting is completed. He's wondering about the viability of the Innovative Homes proposal. He mentioned the building on the property and that it would be a good storage shed for Parks and Recreation Department.

Mr. Goff asked if Mr. Lemieux would classify himself as a competitor to Mr. Baird. Mr. Lemieux said they could be competitors. Mr. Lemieux said his income from housing is about 5%. The majority of his income is from heavy excavating. He said the kids practice soccer on his front lawn and he is looking for a place for them to play.

Ken Aldrich, Ward 2, has been involved in youth soccer for 17 years. Challenges are that space is limited. He asked the Council to consider their bid.

Mr. Lewis said it is commendable for a volunteer organization to put in a bid to better the City. He asked if the bid is awarded to Mr. Baird, are there other parcels that would work for athletic fields. Mr. Santagate said we could look at that. He acknowledged that sports are a big part of a successful City.

Mayor Cutts asked Scott Hausler if maintaining the fields will cause a financial problem. Mr. Hausler said his department has been struggling with a reduced budget since January. We could look into sharing the responsibilities, but ultimately the City would own it.

Mr. Picard asked if Mr. Hausler had seen the site and if the storage building would work. Mr. Hausler said he had been in it and it has been used for storage of portable toilets. They are struggling for maintenance space. The building could be used for maintenance purposes.

Mr. LaCasse asked if there was any unused space at Moody Park that could accommodate soccer fields. Mr. Hausler said a lot of material would have to be brought in to establish good turf. Mr. Santagate asked if the lot that was for sale had water and sewer on it. Ms. Taylor said there is a well and septic.

Mr. Paquette said this was an exploration. They could use more field space. The Lowes project will be a huge help to them. This was just a hope and a dream.

Mayor Cutts closed the public hearing.

Mr. Batchelder said he supports selling this property to Innovative Homes and putting it back on the tax rolls. If it were sold to the Youth Soccer Association it would be given back to the City and the City would be responsible for the upkeep.

A motion was made by Mr. Batchelder and seconded by Mr. Goff to authorize the City Manager or his designees to take all actions as may be required to sell two City-owned parcels, Map 68 and Lots 14 & 15 (796 Main Street) to Innovative Homes of New England LLC.

Mr. LaCasse wanted to modify the motion about waiting to get all the permits before the deed is transferred. Mr. Batchelder declined to modify his motion.

Mr. Lewis asked who the Youth Soccer Association would direct their requests to. Mr. Santagate said to call Parks and Recreation Department.

Roll Call Vote: Motion carried 8-1 with Mr. Picard voting no.

Motion to Authorize Easements Related to Water Street Parking

Ms. Taylor said these three motions are related. There was a court order from Sullivan County Superior Court resolving litigation and these three motions implement that order. This is the matter of “New Branch Properties v. the City of Claremont.”

Mr. Goff recused himself because of a conflict as a result of his employment.

Ms. Taylor said as part of the settlement stipulation, there were provisions for leases of parking in the North Street lot, a license of two parking spaces on Main Street, and easements for construction behind the New Branch property on Water Street by New Branch of additional parking spaces. These issues involve property so the Council has to authorize the City Manager to enter into these agreements.

Mr. Picard asked if New Branch is happy. Mr. Santagate said the City believes this is a fair deal.

A motion was made by Mr. Batchelder and seconded by Mr. Raymond to authorize the City Manager or his designees to negotiate, execute and take all such actions as may be required to convey pedestrian, vehicular and utility easements across City-owned property for purposes of construction of up to fifteen (15) parking spaces by New Branch Properties, LLC, at New Branch’s sole expense, on the south side of Water Street, fronting on Parcel 120-29, said spaces to be partially constructed on City-owned land, with joint cooperation in the development and approval process between New Branch and the City. The Council further authorizes the City Manager or his designees to extinguish an easement currently existing on the south side of Water Street on the northeast corner of Parcel 120-29, as recorded at the Sullivan County Registry of Deeds, Vol. 749 Page 840. Said easements and extinguishment of easement to be detailed in appropriate Easement Agreements to be filed in the Sullivan County Registry of Deeds.

Bernie Folta, Ward 3, asked if any parts of the agreement was sealed or suppressed from disclosure. Ms. Taylor said NH disfavors sealing.

Roll Call Vote: Motion carried 8-0 with Mr. Goff not voting.

Motion to Authorize Lease Agreement at North Street Parking Lot

A motion was made by Mr. Picard and seconded by Mr. Batchelder to authorize the City Manager or his designees to negotiate and enter into a multi-year lease agreement with New Branch Properties, LLC for the lease of twenty (20) commercial parking spaces at the City’s North Street Parking lot.

Roll Call Vote: Motion carried 8-0 with Mr. Goff abstaining.

Motion to Authorize License Agreement – Main Street

A motion was made by Mr. Raymond and seconded by Ms. Messier to authorize the City Manager or his designees to negotiate and enter into a multi-year license agreement with New Branch Properties, LLC for the license of two (2) parking spaces on the south side of Main Street, west of Franklin Street, along the frontage of Parcels 120-34 and 120-35.

Roll Call Vote: Motion carried 8-0 with Mr. Goff abstaining.

Mr. Goff returned to the Council table.

Truck Route Preliminary Study

Peter Dzewaltowski, Senior Planner, Upper Valley Lake Sunapee Regional Planning Commission (UVLSRPC) said the challenge is having a state route system in the City. The key issue is a north-south connection. There are some safety issues (i.e. propane) with some of the truck traffic going through town. Truck traffic in downtown affects the environment (dust, noise and vibration). In 1964 the City developed a Master Plan to re-route traffic around Opera House Square. In the 1973 Master Plan, it was identified that Opera House Square should be oriented toward people. This current project is to encourage the redevelopment and growth of the downtown by taking away truck traffic (heavy vehicles). They have done an origin and destination survey where they surveyed 205 trucks. 40% of truck traffic passes through the City. 40% goes through Opera House Square. The road system directs them through Opera House Square. Because of the City's topography, there are some limitations in the city's north/south connections. They have created a comprehensive list of options that are available for consideration. Because there is no clear truck route available, investments would have to be made to the route that was decided on. They have done targeted interviews with trucking companies for more understanding of what is needed and have come up with four alternatives. Those alternatives will be presented at a meeting coming up on August 25th; it will be televised. Even though the UVLSRPC obligation ends at the end of August, this will be an ongoing process.

Mr. Goff asked if any trucks go through the City in order to avoid weight limits in Vermont. Mr. Dzewaltowski said 95% are not dictated by weight restrictions.

Mr. Lewis asked which of the four alternatives make the most sense. Mr. Dzewaltowski said they are in the process of compiling that information. Mr. Lewis said we would have to be sure roads are built to handle the trucks. Mr. Dzewaltowski said many are not.

Mr. Picard has been driving a truck through the City for 15 years. The alternate routes are not bad in the summer, but are tough to drive on in the winter. The best route is through town.

Mr. LaCasse said the main route through town is a state highway and if it is diverted, what happens to those funds. Mr. Dzewaltowski said the City is prohibited from having an ordinance prohibiting the truck route on federally funded roads. The City is within its rights to prohibit certain truck traffic on City roads, but that would require redesignation of state routes. It is

likely any future truck route would be a combination. Mr. LaCasse said he would hate to lose the funds that are paid to maintain these roads. Mr. Dzewaltowski said relocation of state routes would have to be okayed by the state and connections would have to be made to alternate routes.

Ms. Messier asked if there have been any discussions about the Sugar River connector alternative. Mr. Dzewaltowski said it is a planning concept only at this stage.

Mayor Cutts encouraged people to watch a rebroadcast of the August 10th Planning Board meeting to get more details.

Mr. Dzewaltowski said the upcoming meeting will be August 25, 7 p.m., at the Claremont Savings Bank, and it will be televised.

Bernie Folta, Ward 3, noted Mr. Dzewaltowski is an employee of the UVLSRPC and for 8-9 months has been providing service to Claremont. He has been a planner for 8-9 years. He is leaving the UVLSRPC. He has done good work for the City.

David Roark, Ward 1, asked if this was a time sensitive issue. Mr. Dzewaltowski said the grant funding for the truck route study comes from federal highway funding and the truck route study is seasonal in nature. The time sensitive element is the obligation in the grant documents to talk to the Council before August 31.

Resolution 2009-14 Withdrawal from Capital Reserve for Muni Transportation – Public Hearing

Bruce Temple, Public Works Director, said this resolution is to raise and appropriate up to \$100,000 to be matched by FEMA for roadways torn apart last December off Clifton due to heavy truck traffic that was detoured because of winter storms. The City will go to public bid within 10 days. There is \$113,000 in Muni Transportation funds.

Mr. LaCasse asked what caused the heavy traffic on the roads. Mr. Temple said a power line came down during the long power outage. Charlestown Road had to be closed and 4,000 to 5,000 vehicles a day were re-routed to Clifton and Harmony until repairs were made. FEMA will give 75% of the \$105,000 approved.

A motion was made by Mr. Batchelder and seconded by Mr. Raymond to adopt Resolution 2009-14 Withdrawal from Capital Reserve for Muni Transportation.

Mayor Cutts opened the public hearing. No one spoke. She closed it.

Roll Call Vote: Motion carried 9-0.

Social Services

Mayor Cutts asked that the recommendations from the Social Services committee come back to the Council at the October meeting.

CITY MANAGER'S REPORT

None

FUTURE AGENDA ITEMS AND DIRECTIVES

Mr. Picard asked to have a discussion about the fire house boiler. Mr. Santagate said he would talk with the Fire Chief and come back to the Council.

Mayor Cutts would like to invite the New Community Center group in for an update in September/October.

COMMITTEE REPORTS

Master Plan Committee

None

CONSULTATION WITH LEGAL COUNSEL

None

ADJOURNMENT

At 1:12 a.m. on August 13, 2009, a motion was made by Ms. Messier and seconded by Mr. Lewis to adjourn.

Roll Call Vote: Motion carried 9-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council