

The Claremont City Council held a meeting on Wednesday, May 12, 2010, 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:

Ward II Councilor Keith Raymond  
Ward I Councilor Victor Bergeron  
Ward III Councilor Nicholas Koloski  
Assistant Mayor Andrew Austin  
Mayor Deborah Cutts  
At-Large Councilor Christopher Lewis  
At-Large Councilor Kyle Messier  
At-Large Councilor Jeffrey Goff (Late)

Absent:

At-Large Councilor Adam Burke

Also present were:

Guy Santagate, City Manager  
Jane Taylor, City Solicitor

### **MAYOR'S NOTES**

Mayor Cutts asked for a moment of silence to remember the police officers that have died in the line of duty.

Police Chief Alex Scott said that the week of May 15<sup>th</sup> is Police Memorial Week. 116 police officers were lost in 2009. Monday, May 17, 10 a.m., at the Law Enforcement Memorial in Concord, there will be a ceremony to honor NH's 42 fallen officers. Tomorrow will be the annual Claremont awards ceremony.

#### Stevens High School Student Council Update

None

#### Stevens High School Alumni Week Proclamation

Mayor Cutts issued a proclamation naming the week of June 6<sup>th</sup> as Stevens High School Alumni Week.

Other

Charlene Lovett, President of the Claremont Farmers' Market, said there will be 25 vendors participating at the Farmers' Market this year which is the largest number since the Market's inception. Vendors will be offering a wide variety of fresh produce, plants, food; there will be local artisans and non-profits showing their impact on the community. They will be planting a garden around the Civil War Memorial. The Market will be Thursdays 4-7 p.m. and there will be live entertainment and children's activities. She introduced her daughter, Marion Lovett, who is one of the Market's youngest vendors. Opening day will be June 3<sup>rd</sup> and will end October 7<sup>th</sup>.

Mr. Lewis asked if there was room for additional vendors and contact information. Ms. Lovett said there is room left and contact can be made at [www.claremontfarmersmarket.com](http://www.claremontfarmersmarket.com), e-mail [claremontmarket@aol.com](mailto:claremontmarket@aol.com), or call her at 504-6273.

At 6:40 p.m., Jeff Goff arrived.

Jan Bunnell, Claremont Soup Kitchen, talked about the help they received from participants in Comcast Cares Day, on Saturday, April 24<sup>th</sup>, 40 individuals painted, scrubbed floors, cut weeds and mulched. Comcast paid for it all and they also put on a cookout. Mr. Santagate said he was down there and was able to thank the Comcast volunteers for coming to Claremont. Ms. Bunnell said Comcast also donated \$500 worth of canned goods and groceries to the food pantry.

Mr. Bergeron said on Thursday, May 6<sup>th</sup>, Council members and City Staff went to Lowes for the grand opening. He said Lowes is glad to be here and the City is glad to have them. The opening was well attended.

Mayor Cutts talked about the Citizen of the Year for 2010 and that selection is based on someone who has worked for the good of, and given back to, the community. John Bennett has been selected as the 54<sup>th</sup> Citizen of the Year. The celebration will be Wednesday, May 26 at the Claremont Elks Club. Tickets are \$38; contact the Chamber at 543-1296.

**REPORT OF THE SECRETARY**

**A motion was made by Mr. Bergeron and seconded by Mr. Raymond to accept the minutes of the April 14, 2010, City Council meeting as written.**

Mr. Goff said in the second paragraph on page 7 there was a reference to a \$1,000 trade-in value, but he did not recall that dollar amount being mentioned. Mayor Cutts said the \$1,000 was also in the fourth paragraph. Mr. Koloski said he didn't remember the exact figure, but it was a low one.

**Mr. Goff asked to amend the motion to strike any reference to a specific trade-in value. Councilors Bergeron and Raymond agreed.**

**A motion was made by Mr. Bergeron and seconded by Mr. Raymond to accept the minutes of the April 14, 2010, City Council meeting as amended.**

**Roll Call Vote: Motion Carried 8-0.**

## **APPOINTMENT TO BOARDS AND COMMITTEES**

### Parks and Recreation Commission

**Mr. Raymond nominated Wayne McElreavy to Seat 3 – At Large and Steve Lizotte to Seat 4 – At Large of the Parks and Recreation Commission. Mr. Koloski seconded.**

**Roll Call Vote for Seats 3 and 4: Carried 8-0.**

Ms. Messier asked the public to apply for vacant seats on the boards & commissions.

## **OLD BUSINESS**

### Ordinance 513 No Parking on East Side of Fern Street and Robert Easter Way – Second Reading – Public Hearing

Police Chief Alex Scott said this No Parking request came to the Traffic Advisory Committee (TAC). He said a request came in to limit parking to one side of Fern Street. During the winter, a resident couldn't get out of their driveway due to the snow banks and the way cars were parked on both sides. Upon review, it was determined that No Parking on the east side was appropriate. A request came from Sugar River Valley Regional Technical Center (SRVRTC) to limit parking on the east side of Robert Easter Way. That side was not intended to be parking; it is a narrow roadway and is not appropriate for parking on both sides.

**A motion was made by Mr. Goff and seconded by Mr. Raymond to adopt Ordinance 513 No Parking on East Side of Fern Street and Robert Easter Way.**

Mr. Goff read the ordinance into the record.

Mayor Cutts opened the public hearing.

Steve Raymond, Ward 1, said he is concerned that taking parking away from Arrowhead [Robert Easter Way leads to Arrowhead Recreation] would push the parking into the school lot. He asked if the Council has the right to say that visitors to Arrowhead can park at the school. He doesn't think the parking should be taken away from Arrowhead.

Mayor Cutts closed the public hearing.

Mr. Lewis asked Chief Scott how this came about. Chief Scott said the Director of SRVRTC contacted the TAC about concerns from his staff especially at the entrance of Robert Easter Way

where there is a pre-school drop off. That area is narrow and not designated for parking on both sides. The director was adamant to eliminate parking on that side of the road. There are marked parking spaces on the west side of the road and the entire parking lot. The east side was not intended for parking. The road gets narrower in the winter with the snow banks. Chief Scott said the restriction is appropriate.

Mayor Cutts asked Fire Chief Peter Chase if during the winter, with snow banks and parking on both sides, there are concerns for getting a fire truck through the area. Chief Chase said it definitely narrows to one lane.

Mr. Santagate said that the City's priority is safety over convenience. The Traffic Advisory Committee is made up of himself, the Police Chief, Fire Chief and Public Works Director and when calls come in, they are investigated by experts in that area. He endorsed this ordinance.

**Roll Call Vote: Motion Carried 8-0.**

## **CITIZEN'S FORUM**

Steve Raymond, Ward 1, said that there is a safety issue when people park on the hill at the Chestnut Street entrance/exit of Monadnock Park. He said he brought up the issue last year, but it has not been addressed.

Bob Porter, Ward 3, said the Farmers' Market would be starting up again on Thursday, June 3, 4-7 p.m., in Broad Street Park. There would be live music and children's activities.

## **NEW BUSINESS**

### Recognition – Fire Department Hero Awards

Proclamations were read honoring the five Claremont Firefighters (Lieutenant Brian Rapp, Captain Alan Chamberlain, Current Fire Lieutenant/Paramedic Jeffrey Morin, Christopher Pixley and former Call Lieutenant and Physicians Assistant James Gosselin) who rescued a woman from a burning building on February 4, 2009.

Mr. Santagate said he attended the Heroes Awards in Concord along with Senator Odell, Deputy Fire Chief Rick Bergeron, Captain Tim Bergeron as well as recipients of the Heroes Award Lieutenant Rapp and Captain Chamberlain. Honorees were recognized from around the state and, he noted, 25% were from Claremont. Senator Odell was unable to attend tonight's Council meeting, but he had two resolutions that were passed by the NH Senate, congratulating Lt. Rapp and Capt. Chamberlain on earning the NH Hero Award from the Union Leader. They were signed by the President of the Senate and offered by Senator Bob Odell. Mr. Santagate presented the resolutions on behalf of the Senator.

CDBG Soup Kitchen Mid Grant Update – Public Hearing

Kurt Beek, Project Manager, said a requirement of the CDBG (Community Development Block Grant) is to hold a public hearing on the progress of the project prior to its completion. June 11, 2008, the Claremont Soup Kitchen CDBG was presented to the Claremont City Council. The application request was for \$237,240 in CDBG funds. The property is located at 51 Central Street. The total project cost was \$483,876. The application was submitted to the NH Community Development Finance Authority in July 2008. There were 13 applications and this was one of seven selected to be funded. The Governor's Council approved the application on February 4, 2009. The project is open to the general public with a plan to serve approximately 100% of individuals of low-to-moderate income. The project operates the following programs: dinner program 4 days a week (85 meals a day); home shut-in meals (1720 meals a year); food pantry (serves 8,200 people a year). Construction began in June 2009 and they anticipate being complete this fall.

Mr. Goff asked how close this was to the original budget. Mr. Beek said it was pretty much on budget.

Mayor Cutts opened the public hearing and asked if anyone wished to speak to the CDBG Soup Kitchen Grant Update.

Bernie Folta, Ward 3, asked if the total cost was \$483,000 and the grant was \$237,000, where the rest of the money came from. Mr. Beek said the additional funds came from the Soup Kitchen.

Jan Bunnell, Soup Kitchen, thanked the City for its help getting the grant and she said they were very appreciative.

Mayor Cutts closed the public hearing.

Biomass Feasibility Study on City-Owned Land, Parcel 107-31

Mr. Koloski said he is an on-call service provider for the Common Man Restaurant Group; he recused himself and left the Council table.

Nancy Merrill, Planning and Development Director, read a letter from Alex Ray, Common Man owner, saying that he hoped to create a biomass energy plant in Claremont at the previous steam energy plant on Maynard Street. This would be a renewable fuel energy plant that would supply heat, chilling and possibly electricity to several mills and buildings downtown and on the Sugar River. This would possibly reduce energy costs as well as be an incentive for new businesses to come to Claremont. He would like to follow-up on leasing or acquisition of the property, but first wants to do a feasibility study. He requested permission to access the property and wanted to know if the City had any history on environmental studies. Ms. Merrill said it is the old Sullivan machine stack. The buildings are in pretty bad shape and condition of the stack is unknown. There is a lot of existing electrical wiring in that area.

Mr. Santagate said Mr. Ray had made reference to biomass energy in the past. He said Mr. Ray would like to file an application for a grant from the private sector asking to do a study to see if biomass made sense at this location. Since this is a City-owned property, Mr. Ray needs permission from the Council to access the property. The Council role is that if the grant is approved for the study, then the Council approves giving Mr. Ray access to the property for the purpose of the study and no other commitment.

Mr. Goff asked about funding the study. Ms. Merrill said she believed Mr. Ray is applying for a grant from the CDFR (Community Development Finance Authority) and the grant(s) would go directly to Mr. Ray, not the City. Mr. Goff asked about the City's liability. Ms. Taylor said he would need to sign a form indemnification and he would assume all liability in order to access the property to do the study.

Mr. Austin said it was odd for Mr. Ray to go forward with the study even though he didn't own the property. Mr. Santagate said there is the risk of the Council saying no to selling the property after the study is done.

Mr. Bergeron sees no harm in allowing the study.

Mr. Goff asked about environmental concerns or hazards. Ms. Merrill said she would have to review the records. Mr. Bergeron said a company removed asbestos before the building was torn down. He said he was there. Mr. Goff asked about City plans for use of that property. Mr. Santagate said there are no specifics, but that land along the river is valuable and precious. He asked if Bob Porter had any insight into the history of the site.

Bob Porter, Ward 3 [City Manager in 1980s], said in 1983 a 20,000 gallon oil tank was cleaned and removed from the site. He thinks it is fortuitous the tank was not removed.

Mr. Raymond asked about a riverwalk along that area. Ms. Merrill said the Sugar River Pathway will go up Maynard Street.

Ms. Messier said this feasibility study is a wonderful idea. She agreed with Mr. Bergeron. This is a green idea and it is a great location.

Bernie Folta, Ward 3, said this is in his neighborhood. He asked what biomass will be burned. He asked about the traffic implication when bringing in the biomass. He asked about the purpose of the study (i.e. economic development or brownfields). He asked if Mr. Ray has done this type of request for grant study before. He asked if the grant request will fund the entire amount of the study. He mentioned a grant from a year ago for the Sugar River Pathway and that this was in the middle of that area.

Mr. Goff cautioned the Council and public not to get ahead of ourselves and to wait to see the results of the feasibility study. He supports exploring renewable fuel energy. Mayor Cutts and Mr. Bergeron agreed.

**A motion was made by Mr. Bergeron and seconded by Mr. Raymond to authorize the City Manager or his designees to take all such actions as may be required to allow reasonable access to City-owned land located on North Street, Parcel 107-31, for the purpose of undertaking a feasibility study related to the possible siting of a biomass generation facility.**

**Roll Call Vote: Motion Carried 7-0 with Mr. Koloski abstaining.**

Mr. Koloski returned to the Council table.

Acceptance of \$739.89 Primex Grant for Plow Lift for Public Works

Bruce Temple, Public Works Director, said this grant is from Primex, our risk management company. There is a 25% match from Public Works for a Buddy Blade which helps mechanics lift heavy snow plows.

**A motion was made by Mr. Raymond and seconded by Mr. Lewis to accept the \$739.89 Primex Grant for Plow Lift for Public Works.**

**Roll Call Vote: Motion Carried 8-0.**

Acceptance of \$2,475 Grant from NH Highway Safety for Claremont Statewide DWI Hunter Patrols

Police Chief Alex Scott said this is a yearly grant that will provide three enforcement patrols on Friday and Saturday nights in the summer. These are DWI enforcement patrols.

**A motion was made by Mr. Lewis and seconded by Mr. Koloski to accept the \$2,475 Grant from NH Highway Safety for Claremont Statewide DWI Hunter Patrols.**

Mr. Bergeron asked if local police conduct the patrols. Chief Scott said yes, they are done as outside details. Ms. Messier asked how many years this has been happening. Chief Scott said it has been yearly for the seven years he has been here. Mr. Goff asked how many manhours this would allow. Chief Scott said about 36 hours or six 6-hour patrols. Mr. Koloski asked about last year's results. Chief Scott said it is typical to get at least one DWI arrest per night. Mr. Bergeron asked if these would be announced in the newspaper. Chief Scott said no because there would be no roadblock.

**Roll Call Vote: Motion Carried 8-0.**

Acceptance of \$4,125 Grant from NH Highway Safety for Join the NH Clique Seat Belt Campaign

Chief Scott said this is a yearly grant. It is for seat belt enforcement especially for people under 18 years old. It will pay for 70 hours of enforcement patrols in May and June.

Mr. Bergeron asked if this is to check child safety seats. Chief Scott said yes. Mr. Goff asked if this is for public awareness. Chief Scott said enforcement patrols are done in high visibility areas such as schools and the traffic islands near Bowen Street. Warnings and citations are used to encourage compliance. Mr. Goff asked when seatbelt usage is required. Chief Scott said when children are under 18 years old. Mr. Koloski asked if there is a lack of compliance. Chief Scott said yes. NH does not have an adult seatbelt requirement. The state gives up \$3-\$4 million in highway money as a result of NH not passing a seat belt law. He is offended by the double standard.

**A motion was made by Mr. Raymond and seconded by Mr. Bergeron to accept the \$4,125 Grant from NH Highway Safety for Join the NH Clique Seat Belt Campaign.**

**Roll Call Vote: Motion Carried 8-0.**

Chief Scott noted that grants are more competitive this year and some are not being offered. Mayor Cutts said that was talked about at the Mayors' meeting.

Ordinance 514 Merit Plan Change – First Reading

Mr. Santagate asked to take this off of first reading and just have this be for information only because the state has not finalized the legislation yet. No action is required by the Council at this time.

Mary Walter, Finance Director, showed a PowerPoint presentation about the “spiking” issue.

- Retirement
  - Some towns have no limit to the amount of sick days you can accrue. Most allow you to “cash” them out when you leave. Many towns and schools districts have other deals upon retirement.
  - Overtime and special details also cause huge payouts.
  - Every two years actuarial firms look at the potential liability and adjust employer rates.
  - Small towns that did not have these issues were “subsidizing” other communities and wanted changes.
    - Actuarials build in a 7%-10% “loading factor” to cover end of the career payouts
  - Dover Police Chief cashed out \$190,000 in benefits and reportedly retired at about 126% of his highest year of pay. Because the payout (and employer contribution) was made “late” in his career, everyone’s rates went up. If spiking had been in effect, Dover would have had to pay about \$550,000 into the retirement system.
  - So the state decided to “fix it” by passing HB 1645 in 2008.
- §1 – Definition of ‘Earnable Compensation’ – prior to HB 1645

- A retiree's pension is determined through a calculation based on his or her 'earnable compensation.' Under current law, this term is defined as: The full base rate of compensation *plus*:
  - Overtime pay
  - Holiday and vacation pay
  - Sick pay
  - Longevity or severance pay
  - Cost of living bonus
  - Additional pay for extracurricular and instructional activities
  - Other extra or special duty pay
  - Other compensation paid to the member by the employer
  - Plus fair market value of non-cash compensation (meals or lodging) if subject to federal income tax
    - This model has been on the books since the City joined the NH Retirement System (NHRS)
- §1 – Definition of 'Earnable Compensation' – after passage of HB 1645
  - Removes the phrase "and other compensation paid to the member by the employer," from definition of earnable compensation to address concerns about maximum benefits (it took away everything but the base salary).
    - Removing this phrase will eliminate from the calculation of an individual's retirement annuity, retirement incentive payouts by the employer in the last years of employment.
      - Overtime and outside detail work is neither a "bonus" nor an "end of career" payout. Employers and employees pay these all along. By including it in the computation that employers have to pay, employers are being double charged.
- Excess Charge Penalties Delayed Until 7/1/2010
  - Amendment to postpone to July 2011 has been proposed (not yet passed)
- What we know
  - The state has for years paid 35% of the employer contribution to the NHRS for fire and police employees, but the current budget reduced that portion to 30% this year and 25% (20% possibly) next year, which in turn increases the portion local governments must pay.
  - In 1997, the state's general fund contribution was \$20.8 million to the retirement system. By 2007, that number was \$71.4 million and in just 2 years, it was up another 31% to \$94 million. By 2011, that number is expected to be more than \$160 million, more than double the 2007 contribution.
  - Despite these increases, the unfunded pension obligation for the NHRS is \$2.5 billion and climbing. Their own analysis shows that the 2010-11 employer contributions (that's the taxpayers) may have to increase 70% or more.
  - At the local level, they anticipate that our contribution will grow 2.5 times from \$108 million in 2007 to over \$262 million in 2011.
    - State made agreement, 4 retirement plans, been that way for 33 years.
    - Funded at 61%, whereas it is recommended to be 80%
- Local

- There is a suit pending (from 168 of the 201 members enrolled in NHRS) claiming that the reduction in the state's portion amounts to an unfunded mandate claiming the change will cost local governments \$9 million in 2010 and \$18 million next year.
  - Claremont did not join in the lawsuit, however it is class action, so we will be participants anyway.
- Some of the Reasons
  - We have an increased number of retirees per supporting employee.
    - The number of retirees eligible to receive public pension benefits has been growing faster than the number of employees who pay into the retirement fund.
    - In addition, the average benefit paid to retirees has been increasing faster than the average compensation to existing members of the retirement system.
  - Other factors driving the costs include:
    - Higher wage levels
    - Higher health premiums
    - Policy changes in regard to who is eligible for benefits
    - The basis used to calculate individual pension contributions
- And then there's the 'Special Account'
  - In most pension funds, the employer contribution rate is increased to make up the difference when the pension fund's investments do not generate expected returns. When earnings exceed expectation, the employer rate may be reduced. In NH's case, excess earnings in the past 2 decades have gone into a fund used to pay for additional pension benefits.
  - The special account was created in 1983 that said that any earnings in excess of the assumption rate plus ½% were deposited in this special account. In 2005, the system earned about 10% and the year before it was 14% (the assumption rate was 9%). Any funds above 9.5% went into the special accounts and none of those excess funds went to shore up the pension side of things.
- The "Special Account"
  - The funds accumulated in the special account have two purposes: to grant cost of living increases (COLAs) to the retirement benefits, and to subsidize retiree health benefits by paying retiree health insurance premiums after retirement.
  - During the years of greater than expected ROI (return on investment), the special account swelled – even as benefits were expanded
    - The COLA rates were increased
    - Medical subsidies were enlarged to include more retiree groups
    - A statute was passed to compound the medical subsidy by 8% per year
  - Because the special account funds were diverted from the pension side of the NHRS holdings, the main trust fund lacked funds that would have strengthened the pension actuarial funding ratio.
- The "Perfect" Storm
  - We have flattening, then declining investment returns
  - We have more retirees and the 8% per year statutory compounding of the subsidy

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- This has led to a situation in which the payment made from the special account to lump-sum fund the present and future medical subsidy obligation along with the COLAs will NOT be sufficient to deliver on that promise.
- The last time new net gains went into the special account was in FY 2000 and that account has gone from a high of \$731.6 million to a balance of \$213.9 million in 2007. At that time, they expected the special account to be depleted by 2012.
- Local – Who pays what
  - The state does not contribute anything toward “Employees” which is the “other” group. This is Public Works, Clerical, Administration, Assessing, Planning, etc. These employees pay 5% into their retirement (in addition to social security) and the employer pays 9.16% [percentage originally was corrected by Mary Walter].
  - In 2010, the state contributes 5.85% toward the police and the employee pays 9.3% (they don’t pay into social security so if you subtract 6.2% that most of us have to pay, they are contributing 3.1% toward their retirement and the employer pays 13.66%).
    - Police do not contribute nor do they collect social security.
  - In 2010, the state contributes 7.41% toward the fire and the employees contribute 9.3% -- they contribute 1.89% toward their retirement and the employer pays 17.28%.
    - Firefighters do not contribute nor do they collect social security.
    - As state keeps decreasing contributions, the employer is the one making up the difference.
- Local
  - Total municipal government payments into the NHRS have increased 45% in 2 years (from \$108 million in FY 2007 to \$157 million in FY 2009)
  - It is predicted that local government payments to NHRS are going to have to grow by another 67% by FY 2011 to \$262 million and that is not including the dilemma the state is facing and downshifting to the local government with their “suspension” of the state contribution.
  - It also does not include potential payments for the “Excess Charge” (aka spiking)
- Spiking – local impact
  - Gabriel, Roder & Smith are the actuarial consultants used by the NHRS. They did an analysis in 2008 that showed that out of the 753 recipients surveyed, 204 (27%) would cause penalty assessments to the communities ranging from hundreds of dollars to over \$550,000. While Claremont is not in that predicament, we will incur spiking charges if nothing is done.
- Does NHRS have a cap
  - Yes, for people hired after 1996, it’s 150% of any one year that is used in the Average Final Compensation (AFC) or their final 12 months (whichever is greater). But their newest provision doesn’t exempt the municipality from paying the spiking penalty for anyone who was hired before 1996 and thus grandfathered. We will still have to pay it.
  - Over 34% of the city’s workforce was hired prior to 1996 which increases the city’s exposure.

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- The spiking provision will be a one time assessment, payable in a lump sum from the municipality to the NHRS and it takes into account the increased monthly payment that large payouts made in the employee's monthly pension multiplied out over the anticipated life expectancy and any survivor benefits.
- Local
  - While we substantially limited our liability 2 contracts ago by reducing sick time accruals to a maximum of 45 days, at least 35% of our current employees are grandfathered in some capacity with sick time (some in the Fire Department have 1200 hours of sick time).
  - This proposal does not seek to cap their sick time, but instead to pay out any amount that would be subject to the spiking/excess charges after they would no longer be considered for retirement calculations (currently 120 days)
- But what is the impact
  - We have 9 people who are eligible to retire right now. If they all decide to retire, the City would pay out \$397,975 in benefits plus an additional \$184,250 (about 46%) in spiking charges for a total of \$582,229.
  - Of the \$397,975 in benefits, \$299,984 (75%) would have been considered "earnable" wages prior to HB 1645
  - If the legislature ends up not assessing this spiking language (currently talking about postponing the date to next July), then the employee still gets it paid out within the current timeframes.
  - Our Merit Plan employee closest to retirement would have to have 31 days of sick time paid out after the 120 days in order for the City not to incur spiking charges.
  - Keeping in mind that \$250,000 equates to 3% increase on the tax rate, we will be hard pressed to absorb payouts to NHRS, fund current increases we are seeing in benefit costs, as well as ongoing expenses in our operating budget. This proposal gives the retiring employee the greatest flexibility that the state is giving the municipality without further impacting the local taxpayer.
- What is proposed
  - Notwithstanding any other provision in this Merit Plan, the severance benefit under this section will be divided into 2 separate lump sum payments. The first lump sum payment shall be due and payable within 60 days after the date of the employee's retirement and shall equal the maximum portion of the separation benefit that will not result in the NHRS assessing the City of Claremont for the cost of the excess benefit (as defined by RSA 100-A:16, III-a,(b)). The second lump sum payment, which shall equal the remainder of the severance benefit that was not included in the first lump sum payment, shall be due and payable either no earlier than 121 nor more than 150 days after the date of the employee's retirement or until after the number of days required so as to prevent the City of Claremont from being assessed the cost of the "excess benefit" as defined by RSA 100-A:16, III-a,(b) and/or any additional assessment penalties or costs by the NHRS.

Mr. Bergeron asked about employees paying extra into the retirement system when paid for overtime, etc. Ms. Walter said the employee pays 9.3% of whatever is earned.

Ms. Walter explained that by delaying the sick leave lump sum pay out (so that it is not figured into the average final compensation), the employee's monthly retirement payment from NHRS is reduced. When the employee receives that pay out from the City, they should save it.

Mr. Goff asked how much notice is required to retire. Ms. Walter said three months. He was concerned about waiting until June to have a first reading for this ordinance. Mr. Santagate said if we have to take action, it will be postponed for 90 days so people will have a chance to retire if that is their plan. Mr. Santagate suggested asking the state representatives to come in to explain the plan and the downshifting to the City.

Mr. Goff said if we are considering this, he would like to see a 90-day window to allow a fair decision to be made by retirees. Mr. Santagate agreed. Mr. Goff said this only addresses the Merit Plan so he asked about current contracts. Ms. Walter said, according to HB 1645, it does not go into effect until the new contracts are signed and we are still negotiating. Spiking protection language will be included in the new contracts.

Mr. Koloski agreed with the 90-day protection. Ms. Walter said it may have to be 120 days depending on what the state does.

Mr. Bergeron noted that because of this, we may lose key people. Ms. Walter said the spiking charge is paid by the last municipality where a person works regardless where the three highest years were accumulated.

Mr. Goff asked about if there would be a public hearing for this. Ms. Walter said yes. Mr. Goff encouraged Merit Plan employees to speak without retribution so that the impact could be heard. Mr. Santagate said that makes sense and he wants to hear what people have to say.

Ms. Walter said this went before the Personnel Advisory Board.

Mr. Lewis asked if department heads would discuss how this would negatively affect their departments. Mayor Cutts said comments would be allowed for this agenda item tonight, but when it comes back as a first reading, public comments are not allowed until the second reading.

Mr. Bergeron suggested affected employees should talk to their local representatives.

Mayor Cutts said, under Future Agenda Items, she will propose a special meeting to meet with the Representatives.

Chief Scott pointed out there is a human dynamic to this. Nine employees would cost the City an average of \$20,000. He asked the Council to consider if a 30-year employee is worth \$20,000 to the City. Ms. Walter said we are finding less liability with newer employees unless there is significant overtime or outside details.

Mr. Santagate said a meeting with the State Reps would be important.

## **CITY MANAGER'S REPORT**

Mr. Santagate said in reference to Mr. Koloski's request about renaming City-owned property that Council has the right to name it after an individual. He asked for Council to identify a section or lot and staff would do a search for the legal description of the lot and to see if there are any restrictions (i.e. naming rights).

Mr. Santagate said that recently TF Moran hosted statewide engineers and architects to discuss sustainable growth. Bringing those kinds of people into the City is important. Tomorrow he and Ms. Merrill will interact with the Upper Valley Leadership group which includes 30 leaders from the region. They will have their graduation day in Claremont. He will address them at the Opera House and they will tour the City. There is a great deal of interest in the City and that will help us position ourselves as we come out of the recession. He will speak to the American Council of Engineers at the Common Man on May 20<sup>th</sup>. They will be here for a session on growth and will want to know about the Mill Project. In addition, the NH Preservation Alliance gives out awards for best projects. Council was invited to the event on May 18<sup>th</sup> in Concord where the City and developers/owners of the Brown Block and Mill Project will be honored; he will be there to accept the award for the City.

Mr. Santagate said Mr. Burke had asked about joint efforts to save money. He has a report that will take 10-15 minutes to deliver. Council asked Mr. Santagate to wait until Mr. Burke returned to give the report.

## **FUTURE AGENDA ITEMS AND DIRECTIVES**

Mayor Cutts talked about setting up a special meeting between now and June 9 and to invite the Representatives and the public. Mr. Goff said right now the County is in the middle of budget planning and there is a potential for a lot of date conflicts. Mr. Bergeron said we should set the date and then ask them to come. Mayor Cutts asked Council to identify to Ms. Russell their avoid dates. Mayor Cutts and Mr. Bergeron are not available May 26. Ms. Walter said she would not be available May 20 through 26. Mr. Santagate asked about having this during the June 9<sup>th</sup> regular meeting and then postpone the first reading to July. He wants to wait to see what the state does. Ms. Walter said employees will not be harmed if there is no action. Mayor Cutts asked to see if they can meet earlier than 6:30 p.m. Let Council know if they cannot meet on June 9<sup>th</sup>.

Mr. Bergeron asked about a Council tour of the City. Mayor Cutts said it has not been scheduled yet.

Mr. Goff asked about receiving Department Reports from all except the Police Department. Mr. Santagate said the Police Department reports to him on financial matters, but they report to the Police Commission on personnel and activities. Chief Scott said the Police Commission meets the third Wednesday of the month. He could give a copy of the preceding month's report to the

City Manager for inclusion in the Council packet. Council agreed that report would be nice to have.

Mr. Koloski said he has received complaints about City trash cans on Pleasant Street ending up in the middle of the road. He asked about bolting them to the sidewalk. The cans are in rough shape. Mr. Santagate said we can look at that. Ms. Walter said new cans are not in the budget. Mr. Koloski said since they are not in the budget, maybe one of the downtown business groups can help out.

Mayor Cutts asked Chief Scott about the bike patrol. Chief Scott said the park patrol started this week (coverage will be Pleasant Street, Broad Street, Mill Street area and Parking Garage). Enforcement generally takes place Monday through Friday and includes parking, loitering and skateboards.

Mayor Cutts asked in reference to Steve Raymond's request to review the Chestnut Street entry/exit to Monadnock Park. Mr. Santagate will put it on the Traffic Advisory Committee's agenda. Mr. Lewis recalled that this had been talked about before.

## **COMMITTEE REPORTS**

### Master Plan Committee

None

### Claremont 250<sup>th</sup> Anniversary Committee

Mr. Koloski said they still haven't had a meeting.

## **CONSULTATION WITH LEGAL COUNSEL**

None

## **ADJOURNMENT**

**At 9:18 p.m., a motion was made by Mr. Lewis and seconded by Mr. Goff to adjourn.**

**Roll Call Vote: Motion Carried 8-0.**

Respectfully Submitted,

Dorée M. Russell  
Clerk to the Council