

The Claremont City Council held a meeting on Tuesday, November 22, 2011, 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 Adam Burke  
At-Large Councilor Christopher Lewis  
At-Large Councilor Thomas Burnham

Absent:

At-Large Councilor Kyle Messier

Also present were:

Guy Santagate, City Manager  
Jane Taylor, City Solicitor

## **MAYOR'S NOTES**

## **CITIZEN'S FORUM**

Bernie Folta, Ward 3, talked about the advertisement from the NH Union Leader for website services for Claremont. He was happy to see it as the current navigation is from the "dark ages." He's looking for more communication between citizens and City staff on the website. He asked if there would be samples of the new website posted to get opinions before going final. He did not see this ad in the Eagle or Valley News. He gave his phone number, 542-3233, if people want more information.

## **ADOPTING THE 2012 BUDGET**

### Resolution 2012-1 Tax Anticipation Note – Public Hearing

Ms. Walter said this is to borrow money in anticipation of receiving taxes. The tax year starts January 1 and the tax bills go out in June. We borrow from ourselves from the Enterprise Funds.

**A motion was made by Mr. Burke and seconded by Mr. Koloski to adopt Resolution 2012-1 Tax Anticipation Note.**

Mr. Burke read the resolution into the record.

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

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

Resolution 2012-2 Adopting the 2012 General Fund Budget for the City of Claremont –  
 Public Hearing

Mr. Santagate talked about recommendations received to further reduce department budgets.

Ms. Walter showed a PowerPoint presentation about Recommendations in Lieu of Staff Cuts Needed to Preserve the Positions, \$475,000.

- Library – Personnel Cuts = \$61,988

	Current CM Proposed	Director's Proposed	Effect	Potential Savings
Reduce Library part time	87,347	57,347	Close Library on Wednesday	30,000
Reduce books budget	46,000	40,000	Less book purchases	6,000
Reduce Periodicals	3,000	1,000	Less periodical purchased	2,000
Reduce Microfilm	1000	500	Less microfilming done	500
Reduce Equip M&R	8,500	7,500	Normal repairs and supplies	1,000
Eliminate furniture & Equip	500	0		500
			Total	\$40,000

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- Parks – Personnel Cuts = \$68,752

	Current CM Proposed	Director's Proposed	Effect	Potential Savings
Arrowhead	16,500	8,200	Shift to Rec Club	8,300
JSL	14,000	0	Shift to JSL or close bldg	14,000
Fireworks	10,000	0	No fireworks	10,000
Assoc Firework Expenses	2,000	0	Entertainment, supplies, etc for fireworks event	2,000
Outdoor Pool (no water charges)	35,700	0	Elec, Chem, PT Staff, Materials	35,700
Loss of Revenue from Pool	-10,000	0	Would need to reduce revenue lost	-10,000
			Total	\$60,000

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- Finance – Personnel Cuts = \$139,533

	Current CM Proposed	Director's Proposed	Effect	Potential Savings
Consulting	\$15,000	\$2,000	Not needed if no cuts	\$13,000
			Total	\$13,000

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- There is so little that is not contractual or employee related that there is not much discretion at this point.
- Options Not Discussed

Mayor Cutts asked about the shift for Arrowhead. Ms. Walter said Arrowhead is funded with \$16,000: part is for Kinderfest and the other part is for Arrowhead. Mayor Cutts asked what the impact would be to cut the \$8,300 and shift the cost to Arrowhead. Ms. Walter said that is unknown. Mayor Cutts said the option for JSL is to become self-sufficient or not to exist. Even with these cuts, it is not enough to cover personnel cuts.

Mr. Bergeron said if the cuts are made to Parks, people are still paying high taxes and things that they enjoy are being taken away. He disagrees with cutting Parks. Ms. Walter said in a poor economy that people tend to use local services more. Mr. Bergeron asked if the two organizations involved in the shift of expenses had been contacted in order to speak about this tonight. Ms. Walter doubts it. Mr. Bergeron thinks it is wrong not to get their input.

Mr. Santagate said Council asked us to talk to department heads, which he did. He does not support these recommendations, but brought them forward at Council's request.

Mr. Austin thinks that is the right way to go. He asked for the total amount of these suggestions. Ms. Walter said \$113,000 if everything on here is done. Ms. Walter said we need \$475,000 in staff savings. Mr. Santagate said this is 25% of what is needed.

Mr. Koloski said he can go along with the Library plan, but not the Parks.

Mr. Burnham apologized about the statement he made previously about the City spending more money every year. He acknowledged the budget was level funded for five years.

**A motion was made by Mr. Burnham to approve restructuring of Library funds as was presented on the slide.**

Mr. Burnham asked if the recommendations would work for Mike Grace, Library Director. Mr. Grace said yes. There was discussion about the difference between the personnel cuts of \$61,988 and the proposed cuts of \$40,000. Mr. Burke asked about the impact of the \$22,000 difference and the impact of closing the Library on Wednesday. Ms. Walter said 3 cents. Mr. Grace said Wednesday was picked because it is the least busy day and this would preserve the evening and Saturday hours.

There was discussion about the hours. Mr. Grace said regardless of which cuts were made, the operating hours would be reduced.

**Mr. Burnham withdrew his motion.**

Mayor Cutts said she does not favor the layoffs. She said the tax bill will increase by \$92 for a \$150,000 house if the 6 people are not laid off. The 6 positions and the overtime previously approved is equal to 64 cents on the tax rate; that is with continuing to freeze the Deputy Fire Chief position.

Mr. Bergeron said our tax rate is high, but our tax bill is in the middle of the state. Since 2008, the school has added 37 positions and we are laying people off. Our people have had no raises in 5 years, however the school has been getting raises.

There was more discussion about adding the laid off people back to the budget and the resulting tax rate effect. Mr. Bergeron said he cannot justify over \$1 increase. He is angry about how we are treated. Mr. Burke agreed with Mr. Bergeron. Mr. Austin said nobody wants to see layoffs.

**A motion was made by Mr. Burnham to take \$289,000 off the Manager's Proposed budget for a total of \$14,133,570 resulting in zero increase on the City's tax rate. Seconded by Mr. Austin for discussion.**

Mr. Santagate said that would result in either more layoffs or less road money.

Mr. Burnham said adding any money on to the tax rate subsidizes the state budget. He would like to give the citizens a tax break for one year.

Mr. Bergeron said he can't go along with this. He doesn't want to lay people off. Next year we will pick up a police officer on the tax rolls. If the school and county were zero based, he would agree. We have to do what's best for the City.

Mr. Austin suggested that if City employees pay more for benefits, that may change the picture.

Mr. Lewis said the bottom line is it is the Council's job to set a budget that is fiscally responsible. The services we need are emergency services. We need to determine how to reward employees in the future.

Mayor Cutts opened the public hearing.

Bernie Folta, Ward 3, said budgeting is about priorities. The two legitimate functions of government are defense and public safety. He agreed with Mr. Lewis about emergency services. That suggests where the priorities should be. He thinks police work is harder than fire work. Library and recreation are not as important as other functions. He asked about scales of longevity. He talked about smarter government doing more, better with less. He said the solution is for citizens to be able to vote on the City budget.

Marta Smith, who works at the Library, said they have 20-30 kids at the Library after school and that keeps them off the street. People can't afford to buy books, movies or travel, so they use the services of the Library.

Steve Raymond, Ward 1, said in reference to the JSL building that the work done there is by volunteers. The kids pay to use that facility. He is against laying off Fire, Police and Public Works employees.

Marty Davis, Library Board of Trustees member, speaking for himself, said he understands the thinking about emergency services, but don't dismiss the "softer" services. The number of Library visits has increased dramatically. He is in favor of doing what can be done for the Library. The proposed cuts will hurt. He asked to consider not cutting the Library budget.

Cynthia Howard, Ward 2, said it is not prudent to raise taxes during a recession. She gave a list of dollar amounts to be cut from departments: Administration \$24,000; Policy \$18,000; Municipal Complex \$5,000; General Services \$48,000; Communications \$3,000; Police \$48,000; Fire \$12,000; Sanitation \$1,500; Streets & Roads \$18,500; Library she agreed with the cuts; Cemetery \$43,700; Parks \$12,000; GCC \$2,000; Planning and Development – City Manager and Planning Director should share responsibilities and shut that department down for over \$600,000 in savings. She is in favor of increasing the co-pays. Taxpayers should pay only 80%. The total amount of cuts is about \$900,000.

Fred Zimmerman said in reference to the Library that cutting the Wednesday hours is not a good idea as kids need to have some place to go consistently during the week.

Dale Giles, Ward 2 and City employee, talked about furloughs. The Finance Department doesn't have a lot of places to cut other than employees. He suggested closing one day a month to help keep 2 employees from being laid off.

Mayor Cutts read an e-mail from Linda Howard, Ward 3, saying she was against a tax increase. Ms. Howard believes we no longer have a reserve fund and Lowes has left.

Mayor Cutts closed the public hearing.

Mr. Santagate said we do have a reserve fund and in December it was around \$2 million.

Mr. Santagate said we tried a furlough a couple of years ago, but it didn't work, we had to have, but did not get, agreement from all the unions. Today, the Merit Plan employees did approve the concept of paying toward health insurance. He is waiting for a response from the unions. Ms. Walter said in reference to Mr. Giles suggestion, that she believes it was a furlough for the Finance Department save the 2 positions. There is Merit Plan and Clerical Union members in the department. The Clerical Union would have to agree to the cuts to make up the \$139,000. Doing that would not change the Manager's Proposed budget.

Mr. Santagate said he was waiting for a response from the unions about paying into the health insurance. If Council acts on this budget then we would go forward with the layoffs, but if the unions will participate in the health insurance, then we could bring back the laid off employees. Mr. Austin asked if they would lose seniority. Ms. Walter said not for 18 months.

Councilors had received feedback that people don't want taxes to go up, but don't reduce services and don't layoff people.

Mr. Bergeron said he heard that we should remember the priorities and don't make any more cuts at Public Works. Mr. Burnham talked about no increase in the tax bill. Ms. Walter said there are three entities contributing to the tax bill.

**A motion was made by Mr. Lewis and seconded by Mr. Koloski to move the question.**

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

**Roll Call Vote: Motion failed 1-7 with all but Mr. Burnham voting no.**

Mr. Burke suggested moving \$25,000 from the GCC to the Library to offset the cost of keeping the staff member.

Mr. Koloski asked what that does to Parks & Recreation.

Mr. Bergeron said it is not fair to have employees pay for what the state passes on to us. Every department needs to share the burden. Mr. Burke said regardless of the decision, the Library still loses. Mr. Bergeron said you can't keep putting off projects.

**A motion was made by Mr. Lewis and seconded by Mr. Burnham to approve \$14,449,870 with a strong recommendation that \$27,300 go to fund the overtime for the Fire Department and that \$25,000 be moved from Parks & Recreation to support the Library position with the proposed cuts that was seen tonight as well as using the money out of the \$150,000 in Streets & Roads to retain the employee in the Highway Department.**

Mr. Koloski asked about the impact on the tax rate. Mayor Cutts said that it is an increase of \$27,300 on the bottom line. Ms. Walter said that would be 4 cents on the tax rate which is equal to \$5.26 per year on a \$150,000 home. Mr. Santagate said that would be added to the 42 cents on the Manager's Proposal.

Mr. Lewis clarified that he was suggesting using only a portion of the fund for the position that is slated for lay off.

Mr. Koloski asked if it is doable and what is the impact of the removal from Parks.

Scott Hausler, Parks and Recreation Director, said the \$25,000 is in a Capital fund for GCC energy efficiency upgrades. Most projects cost more than the \$25,000, so they would have to carry it over for future projects.

Mr. Lewis said this does not mean he doesn't support Parks projects. We just passed a bond for several million dollars to do energy upgrades. This would provide vital services through the Library. Police staffing is addressed through the COPS grant. The \$27,300 for Fire allows us to function safely for 12 months. Highway lost 8 workers in 2001, and it would be a detriment to have to cut back street maintenance and snow removal because we lost another person. He wishes we could retain all the employees, but doesn't believe we can.

Mr. Koloski asked if Public Works can live with this. Mr. Temple said he is uncomfortable talking about personnel as it is the City Manager's responsibility. \$60,000 for a Public Works employee can be taken out of the \$150,000, however it is important to note that this year we did virtually no paving. In past years we have tried to do \$500,000. The bond is to take care of paving for two years, but if you continue to nibble away at it, there will be no base to build on. The prices will go up; we need to have a base to build on so it won't be as expensive in the future. He can use the staff because a senior person is leaving and the position will not be filled. He said maintenance work helps mitigate extreme weather conditions as we saw during Hurricane Irene.

Mr. Bergeron said you can't keep cutting this budget because things won't get fixed.

Mayor Cutts said the \$14,422,570 includes a 3% increase over last year and includes losing 6 people and freezing the Deputy Fire Chief position. The City portion goes up 37 cents, \$12.73 per thousand as proposed by the Manager. Taking the bottom line and adding 6 positions will equal 61 cents on the tax rate in addition to the 37 cents for a total of 98 cents. The school's increase was \$1.43 in 2011.

Mayor Cutts re-opened the public hearing.

Pam Dyer, Finance Department, clarified that that the Clerical Union pays a portion of its health insurance.

Marty Davis, Ward 2, said he is now in favor of paying more taxes to retain all 6 personnel slated for layoff.

Dale Giles said the majority of the Merit Plan employees had agreed to pay toward health insurance, but decisions depend on the unions.

Steve Raymond, Ward 1, said he is concerned about closing the JSL building. If that happens, the Police Department will need some extra help. Mr. Lewis confirmed the motion does not include closing the JSL.

Mayor Cutts closed the public hearing.

Mayor Cutts will vote against it because she has seen the results of previous staff cuts. The motion does not address other departments (i.e. Planning & Development and Finance).

Mr. Bergeron will vote against this as it doesn't address the priorities. He doesn't want to hurt the kids. In little over a year we will have a new community center and the JSL will probably close anyway. The Library will close one day a week regardless.

Mr. Lewis said he wants to be sure that Police, Fire and Public Works are able to operate. He said Mr. Grace gave a solid plan to save money and it made sense.

Mr. Burke agreed with Mr. Lewis' motion.

Mr. Bergeron said as for public safety, you can only have what you can afford. You can't function with just three departments. Mr. Lewis agreed.

Mr. Koloski said Mr. Lewis' proposal is middle ground. We can't afford to keep increasing taxes in huge amounts. There is no ideal solution. He will support the motion.

Mr. Raymond talked about the layoffs. Ms. Walter said there was a layoff in 2009; we lost 5 bodies. She lost 23% of her department and 35% of Maintenance; Parks & Recreation has lost 41%. Finance is not public safety, but her department serves a critical need and brings in 2.5 times more than it expends. Mr. Raymond said that the Planning and Development Department is key to bringing business here; all other departments are important as well. He will vote no because we need to keep the employees we have.

Mr. Bergeron noted that some services may be slower. He thanked those that may be laid off. He thinks we have no choice.

Mayor Cutts said she will still vote no. She is okay with adding 98 cents to the tax rate. She encouraged the school system to intensively evaluate where they can have efficiencies.

Mr. Bergeron said he can afford to pay the taxes, but that is not what he is hearing from citizens.

**Roll Call Vote: Motion carried 5-3 with Messrs. Raymond, Bergeron and Mayor Cutts voting no.**

Resolution 2012-3 To Adopt the 2012 Water Division Budget for the City of Claremont –  
Public Hearing

Ms. Walter said there were no further comments for this resolution

**A motion was made by Mr. Raymond and seconded by Mr. Burke to adopt Resolution 2012-3 To Adopt the 2012 Water Division Budget for the City of Claremont.**

Mr. Raymond read the resolution into the record.

Mayor Cutts opened the public hearing.

Bernie Folta, Ward 3, said after the water rates went up, his bill went up by 1/3 (he is a low amount user). It still looks like the Water Department is losing money. He asked how much is left in the Water Fund Balance.

Cynthia Howard, Ward 2, asked about the Contract WTP – Additional Services. Mr. Temple said it is for structural maintenance repairs (i.e. replacing the roof, replacing a motor, etc.) to take care and maintain City facilities and equipment.

Mayor Cutts asked about the Water Fund Balance. Ms. Walter didn't have the amount in front of her, but the fee increase is helping to catch up.

Mayor Cutts closed the public hearing.

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

Resolution 2012-4 To Adopt the 2012 Sewer Division Budget for the City of Claremont –  
Public Hearing

**A motion was made by Mr. Lewis and seconded by Mr. Raymond to adopt Resolution 2012-4 To Adopt the 2012 Sewer Division Budget for the City of Claremont.**

Mr. Lewis read the resolution into the record.

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

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

Resolution 2012-5 To Adopt the River Road Tax Increment Finance District Budget for the City of Claremont – Public Hearing

**A motion was made by Mr. Bergeron and seconded by Mr. Raymond to adopt Resolution 2012-5 To Adopt the River Road Tax Increment Finance District Budget for the City of Claremont.**

Mr. Bergeron read the resolution into the record.

Mayor Cutts opened the public hearing.

Bernie Folta, Ward 3, asked if Debt Retirement meant there was no more debt and how much is left in retained earnings. Ms. Walter said the audit is on the website. The TIFD is not retired; it is paying toward the debt retirement of the TIFD.

Cynthia Howard, Ward 2, asked if the Sales and Marketing are contracted out. Ms. Walter said the Sale Office Support pays a portion of the Planning and Development Department's work to try to promote and sell the properties on River Road. The \$40,000 in Marketing is for direct marketing.

Mayor Cutts closed the public hearing.

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

Resolution 2012-6 To Adopt the Downtown Tax Increment Finance District Budget for the City of Claremont – Public Hearing

**A motion was made by Mr. Raymond and seconded by Mr. Burke to adopt Resolution 2012-6 To Adopt the Downtown Tax Increment Finance District Budget for the City of Claremont.**

Mr. Raymond read the resolution into the record.

Mayor Cutts opened the public hearing.

Cynthia Howard, Ward 2, asked why the Developer Contribution is zero. Ms. Walter said when the developers were building the parking garage, they paid a percentage of certain things. Ms. Howard asked if the Income from River Road TIFD means that the Downtown TIFD is not sustainable. Ms. Walter said it is not sustaining itself; there is a building that has not been completed. Ms. Howard asked about Electric - Sawtooth \$24,000; lights are on all day. Mr. Santagate said if the lights are not on, no one will go in there. The lighting is modern and up to standards. It is a public safety issue. Ms. Walter said some of the stairwell lights are on motion detectors. Those who have the parking spaces pay a percentage of the costs including the building with no one in it.

Mr. Bergeron asked for a change in the description from Electric – Sawtooth to Electric – Parking Garage. Ms. Walter said she can do that.

Mayor Cutts closed the public hearing.

Mr. Koloski said he has high hopes to open this to realtors to have someone come into the Sawtooth space.

Mr. Burke asked about using the MLS listings to list the properties.

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

### **CONSULTATION WITH LEGAL COUNSEL**

None

There was discussion about the movement of the money to different departments. Mayor Cutts said there is an assumption that the City Manager would follow those recommendations, but if he does not, she would expect an explanation for why not.

Mr. Lewis thanked City staff for putting the budget together, the City Manager for a fiscally responsible budget and thanked the department heads. He thanked the City employees who will partake in that work.

Mr. Bergeron asked the Mayor to write a letter on behalf of the Council thanking employees for the hard work and especially the employees that will be laid off.

Mr. Burnham asked that each individual gets a copy of the letter. Mr. Lewis agreed.

Mayor Cutts reminded everyone about the December 7 meeting and asked Council for RSVPs for the final meeting for 2011 which will be on December 14.

### **ADJOURNMENT**

**At 9:45 p.m., a motion was made by Mr. Bergeron and seconded by Mr. Burke to adjourn.**

**Voice Vote: Motion carried 8-0.**

Respectfully Submitted,

Dorée M. Russell  
Clerk to the Council