

The Claremont City Council held a meeting on Tuesday, September 27, 2011, in the Council Chambers of City Hall.

The meeting was called to order by Mayor Cutts at 6:33 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 (Late)
At-Large Councilor Kyle Messier
At-Large Councilor Thomas Burnham

Also present were:

Guy Santagate, City Manager
Jane Taylor, City Solicitor

OLD BUSINESS

Resolution 2011-22 Authorization to Borrow Up to \$5,315,000 for the New Community Center – Public Hearing

<u>Project</u>	<u>Amount</u>
• Community Center	\$5,315,000

Mr. Santagate said this is the third discussion we have had about the New Community Center and tonight we will try to address some of the questions that were raised at the last meeting.

Scott Hausler, Parks & Recreation Director, showed a PowerPoint presentation about the New Community Center.

- Previous Meeting
 - Facility fee comparison
 - Facility amenity comparison
 - Cost recovery & expense detail
 - Existing facility estimates
- Fee Example Overview

- Comparison was made between Edgar May Rec Center, Springfield, VT; CCBA, Lebanon, NH; Keene YMCA (new facility under construction); UVAC (Upper Valley Aquatic Center), White River Jct., VT; and the New Claremont Community Center
- New Claremont Community Center fees were lower
- Membership rates are based on individual and family units
- Area Facility Amenities
 - Each facility is different
- Cost Recovery and Net Cost Model
 - Current Operations = Cost Recovery 23%, Revenue \$146,000, Expense \$644,400, Net Cost \$498,400 (supports the current programs)
 - Low Revenue Achievement = Cost Recovery 46%, Revenue \$396,475, Expense \$859,156.20, Net Cost \$462,681.20. We are still within the cost of the current facility
 - Staff Recommended = Cost Recovery 84%, Revenue \$746,000, Expense \$893,156.20, Net Cost \$147,156.20
- Backlog of Current Facility Repairs
 - Maintenance and Repairs range from roof replacement to mold remediation
 - Total \$3,215,578
- Community Center Options
 - Build new - \$5,315,000
 - Revamp Old - \$3,200,000

Mr. Raymond noted the cost of current operations is far more than the cost of a new facility and will save money in the long run.

Mr. Burke asked about training for staff in the cost model. Mr. Hausler said that was listed under the Staff Recommended model and it is listed in the current operations as well. Mr. Santagate said at the present time, we put almost \$500,000 on the tax rate per year. In the best model, it will be \$147,000 per year and the lowest model will save us \$35,000 a year. Every year Mr. Hausler asks for \$2+ million for maintenance and repairs, but then Mr. Santagate only gives \$20,000. The choice is to put \$5.3 million into a new facility or \$3.2 million into the old one.

Mr. Burke asked about the cost to maintain the old facilities until they are sold. Ms. Walter said it would be minimal. When those buildings are sold, the goal is to put the money into a Capital Reserve for maintenance of the new facility.

Mr. Austin asked if the money saved will reduce the property taxes. Mr. Santagate said the taxes for the schools are going up \$1.40 next year. The effect of this project on the tax rate is revenue neutral. We've been paying bonds quicker than expected. This project (as presented last meeting) will not increase the tax rate one penny. Mr. Austin asked about the potential savings from the new building. Mr. Santagate said that it is up to the Council to decide what to do with it. Mr. Santagate talked about the state slashing our budget and that we have to make up for that shortfall.

Mr. Burnham said the yearly savings could go to reduce the tax rate or it could go to roads, etc.

Mr. Austin asked about lowering taxes. Mr. Santagate reminded the public that the City level-funded four years in a row. The City gets 40 cents of every dollar of taxes collected and the schools get the lions' share of the property taxes.

Mr. Koloski asked about the baby-sitter expense on the Staff Recommended Expense Budget Model. Mr. Hausler said there are no expenses, but there may be off-setting revenues. We are looking at collaborations that could generate revenue. Users of the facility will look for that service. The Staff Recommended Model was put together to be lean and mean.

At 6:59 p.m. Councilor Lewis arrived.

Mayor Cutts opened the public hearing.

Wayne McCutcheon, Ward 3, talked about the present facility; it is old and portions of the structure have been closed. The survey that was conducted told us that people wanted a larger pool, gym, family room, fitness room, walking track and adequate parking. If the old facility is worked on, we won't get the parking, but we will with the new facility. The New Community Center (NCC) will be energy efficient and will have no frills. If this goes forward, the City will be responsible and oversee the project, not the bank. He is a member of the New Claremont Community Center (N3C) Board and a trustee of Claremont Savings Bank (CSB). In 2007, the bank turned 100 years old. The \$3 million challenge was a way for CSB to give back to the community.

Robert Porter, Elm Street, Ward 3, former Mayor, former City Manager, CSB Board member, farmer and Claremont booster, said he was representing himself. He gave a brief history of the Community Center and pool. 65 years later CSB offered \$3 million plus land for a NCC. This is the right time for this project. He acknowledged the recession, but prices are low and there will be no impact on the tax rate. Everyone will enjoy the facility and Mr. Hausler will manage it excellently. He is in favor of this project.

Lee Murtagh, Ward 1, would rather the money be put into the old facility. If this is passed, then the school request will be next. Tax payers will be maxed out. He has not had a pay raise in 5 years.

Charlene Lovett, Ward 2, spoke as a resident. As a child, she used the pools and GCC (Goodwin Community Center). Not much has changed in 40 years, so she said she understands the need to address the facilities. She is a graduate of Stevens High School and is also a school board member and is aware of the needs for that facility. The City and the school district are asking the same tax payers for help. She referred to the July 13, 2005, Council minutes and that the NCC would cost \$7-\$10 million and \$1-\$2 million would be bonded. Now the bond is for over \$5 million. The fundraiser campaign has generated less than \$600,000 and fundraising goals have

not been met. Questions about the disposition of the old facility have not been answered. She suggested City, school, and state representatives work together for a win-win situation.

Richard Nelson, Ward 3, said he is against it at this time; the school needs the money first. There is a lot of infrastructure that needs to be done before the NCC. He said there is a lot of mis-maintenance in the buildings and mis-government. He said we need to wait until the economy gets fixed.

Mark Barrack, Ward 1, said the NCC is nice, but we need to worry about the high school first.

Tammy Lumbra, Ward 1, member of New Community Center board, manager of rehabilitation and audiology services at Valley Regional Hospital (VRH), mother of two, athlete and homeowner, said she supports the NCC. She is an occupational therapist and she talked about the balance that the NCC will promote. Young families are looking for a community to meet the needs of their children. The NCC will be a part of that.

Mayor Cutts asked, for clarification, if the proposed NCC will increase the tax rate. Mr. Santagate said no. Mayor Cutts asked if the bond were only for the NCC. Mr. Santagate said there originally was only one bond to eliminate some of the legal and bonding fees, but now there will be a separate vote for the NCC and for the infrastructure. If both bonds are approved, they will be added together to save fees. Mayor Cutts asked about the two other projects. Mr. Santagate said they are Drapers Corner which is a dangerous intersection and North and Main Street which is a dangerous hill. There is also some money for paving around the City. Mayor Cutts said the budget that was presented last year included more than \$1 million to renovate the current Community Center. She asked if the Council receives, and approves, a request for renovation to the current Community Center, might it increase taxes. Mr. Santagate said if it is not bonded, then yes.

Gerard Thompson, Ward 2, said he has concerns about the impact on the tax rate. Also, as a parent, he is concerned about the high school. He represents Green Mountain Children's Center (GMCC) and he, his wife and the GMCC support the NCC. His family will be able to use the new facility instead of Springfield and UVAC.

Sharon Wood, Ward 3, said she understands the need for school improvements. This is not an either/or vote; if this is voted down, that doesn't necessarily mean the school will go forward. This was put on hold while the school bond vote was pending, but the voters turned the school bond down. We have a gift of \$3 million and land, so to her this is a no brainer. This will not impact our taxes.

Tawyna Courtermarsh, Ward 1 and N3C board member, asked that if we don't re-invest in Claremont, why should others invest in Claremont. To grow our tax base, we need investments. The investments positively impact homeowners' taxes. The NCC will promote healthy mind and body. CSB should be commended for seeing the benefits this will bring to Claremont and the surrounding area. We need to show support by bonding the remainder of this project.

Joe Osgood, Ward 2, said he likes the idea of a New Community Center, but this is the wrong time. There is an impact on the taxes; he referenced the airport “skeleton” that cost the City a multi-million dollar lawsuit. The lawsuit was bonded and is part of the debt retirement that has been talked about. He said a lawsuit that we bonded is being rolled into the operating budget, so that is a tax increase. He thinks this could be done cheaper if it is planned better.

Bernie Folta, Ward 3, talked about the recent Chamber of Commerce survey. There were 38 responses, 8% of its membership. He thinks the survey should have been sent to all of Claremont voters. The problem with this project is that the information was hidden by a non-public organization. CSB is not a family-owned bank, it is owned by the depositors. As a depositor, he said he wished the gift could be redirected toward education. He thinks there will be no accountability in a few years. So, therefore this must be linked to citizens through the voting process.

Steve Raymond, Ward 1, said he is not against it, but now is not the time because of the economy. If Council passes this, he said you can “kiss the school goodbye.” He agreed with Mr. Folta that the money should go toward the school. He said we don’t need a new community center at this time.

Judith Moriarty, Ward 1, said our kids deserve the best. She talked about the President’s Jobs Bill and that the economy is going to be bad and that police, fire and teachers should save their money.

Robert Landry, Ward 2, said he is in favor of the project. He talked about the cost of repairing the present facility versus the cost of the new facility. He said times are risky, but the costs are low and this is an opportunity for Claremont. Opportunities for children will be greatly enhanced with a new facility.

Francis Gauthier, Ward 2, talked about the Grissom Lane industrial park. It was bonded and there is nothing there now. He said this is a wonderful project, but that he is against it at this time. He said the tax structure of this state does not jive with this kind of project. He doesn’t see the Community Center as being a good deal. He asked if CSB could give the money to the schools, so they would not be on warning status. He said if Councilors vote for this, they might be voted out of office.

Richard Stevens, Ward 2, said he used the current community center 20 years ago and it was understaffed then; 20 years later it is worse. He said the property has already been purchased and he asked what would be done with it if the project were turned down. He said there will be a tax impact on the City if this goes forward. He suggested using Monadnock Park as a place to build a new community center.

Paul LaCasse, Ward 2, speaking for himself, said he likes the idea of a New Community Center, however if the current community center had not been run into obsolescence by under funding the maintenance budget, it would be up to code and running. If we spent the \$1 million, already given to the project, on the current community center, it would be one-third repaired. He

suggested taking the extra money for the operating costs and put it into the maintenance of the current building, pool and connecting the buildings. There would still be no impact on taxpayers.

Jim Feleen, Ward 2, said in reference to the original survey that a lot of money was spent on a scientifically valid one and the results came back overwhelmingly in favor of this project. He doesn't look at this as a school versus City issue. The 52,000 sq ft facility is exactly what this City needs. This should be passed this evening and then we should work just as hard next spring to get what the school needs. He agreed our tax bills are too high. He didn't hear options from those that are opposed to the community center. This center will bring people to Claremont. It is a long-term process. This piece will make Claremont attractive to people coming to Claremont. He disagreed with the Eagle Times when they called it a recreation center instead of a community center. This is a community center where families will be able to do a number of activities. He asked for people to not focus on the short term, but to recognize the benefit over the long term.

Cynthia Howard, Ward 2, presented a petition of voters that were upset about the NCC: the current center is adequate to meet their needs; budget costs will increase with a larger facility and bonding will continue to keep taxpayers in debt. The petition asked that this be placed on a future ballot as a referendum question. She said the petition had approximately 53 signatures. She asked some questions: why we don't use the old armory; can the \$3 million be used to repair the existing facility; where are the drawings of the facility; would it be prudent to sell memberships before a decision is made; why do we need a weight room in the community center when there is a local fitness center; what will the cost be to the schools for students to use the pool; the budget is estimated to be \$1.4 million using the 2006 Ballard & King proforma, what is the current amount. She asked if there has been an increase in the GCC membership since 2006 and if so, how much. Membership in a recreation center is not a priority, but basic necessities are.

Jeff Coburn, Ward 3 resident and former school board member, said this is not a City versus school issue. The school bond was voted down, but now we have a gift for the New Community Center. The time is now; let's get it built.

Kevin Davidson, unknown Ward, said he agreed with the project. He coaches children. He said you have to pay taxes no matter where you live. He is a recreation and sports-minded person. This project is important for the youth of this community to know they have value. He wife is a school teacher.

Carla Boyington, Ward 2, said she has been here for 7 years. The rec center has helped to make her a part of the community. We need a new pool so we can host swim meets in the winter. This will increase business and participation in the winter. The NCC will give reasons for people to move here. She is excited to have opportunities for her children.

Mayor Cutts closed the public hearing.

Mr. Santagate thanked CSB for its gift and for being active participants in the City. The armory was looked at, but it wasn't doable in terms of cost or efficiency. On top of the \$3 million gift from CSB, they gave us a piece of property. In addition to that, N3C bought another piece of property and that will give us a campus-type atmosphere in the middle of the City. This makes a lot of sense. A detailed survey was done in 1999 and it was updated in 2009. Respondents overwhelmingly want a New Community Center. He has heard that when it is real, people will give in-kind donations to the project. To place this on a ballot could have been done years ago, but it wasn't. Now we need to file with the bond bank no later than October 3. If this were to be put on the ballot, it will kill the proposal. He asked for Council to vote it up or down. This is not a town government. The deadline was originally 2008, but CSB extended it. The City supported the school bond vote and we backed off this until after that vote. He pointed out the school architect met with the City and they called the project a "ten-strike;" the school kids will benefit from this. The general majority thinks this is a wonderful project to do.

Mayor Cutts talked about the Chamber of Commerce survey (31 replies). She tallied those along with comments Councilors received from citizens and those who spoke during the two Council meetings. The total count was 113 responses. Out of the 113 responses, 88 are in favor of this project and 25 are opposed.

Mr. Koloski had questions about the tax impact. Mr. Santagate said the plan was to minimize the tax rate and the resolutions were listed separately for clarity. Ms. Walter said this will be funded out of Fund Balance (\$43,000 year 1, \$425,000 year 2 and \$122,000 year 3). After the current bonds are retired, those payments will be used to pay for the new bond. When looking at the Cost Models, you see that we now pay almost \$500,000 for the current community center and even if the Low Revenue Achievement is realized for the new one, taxpayers will still pay \$35,000 less than the current amount. If the Staff Recommended Model is realized, then we will pay about \$303,000 less which is the bond payment for just the New Community Center. So there would be no tax impact. Mr. Santagate said there is real cost, but by paying from Fund Balance and retiring bonds, there will be no increase to the tax rate.

Ms. Messier asked about the Cost Recovery and Net Cost Models. Ms. Messier said Claremont has 13,000 people; we are the center of Sullivan County and we service 25,000 people.

Mayor Cutts asked about receiving a discount on our insurance because of combining the activities into one building. Ms. Walter suspects it may help reduce health insurance costs.

Mr. Bergeron talked about citizens contacting him and that the majority of them are in favor of a New Community Center. He said the Chamber survey was positive. He said a doctor told him that people are in need of aquatic therapy, but he won't send them to this current facility; he sends them out of town. Mr. Bergeron said he has heard "not now," but if not now, when. It will take over \$3 million to bring the 3 current facilities up to date and we will not be able to accept the \$3 million donation. We will still have old buildings. Or, we can accept the CSB donation; add the difference and build new buildings. Even though we need a new school, we also need a New Community Center. Each year we wait, the cost to build will increase. If we spend \$3

million for the old buildings, it would be a waste of money. He will make his decision based on what is best for the community.

Mr. Raymond said he is an owner of three properties and is well aware of rising property taxes. The choices are to build a new facility on donated land or to invest in the current facility. After reviewing the information, he is in favor of the New Community Center. Reasons for going ahead with this is the gift of the \$3 million and the land from CSB and the opportunity to move the City forward.

Mr. Burnham said of the information he has received, it has been 2-1 in favor of the New Community Center. He is in favor of the new facility.

Mr. Burke said he had received 36 emails both for and against. This is not an either/or for the NCC or the school, but this will create a catalyst for change. He is in favor of the project.

Mr. Lewis acknowledged that regardless of the vote, someone will not be happy. The choice is to either build a new building or put over \$3 million in to update the current buildings. Residents don't want to put that kind of money into old buildings that may require additional money in a few years. There is always risk, but this is the right thing to do for Claremont. He is in favor of this.

Some people said this is happening too fast, but Ms. Messier disagreed. It has been 10 years since it started. The NCC group has done its due diligence. She is a Claremont booster. She wants to see Claremont move forward. She had several people visit from Boston and when she explained how this all connects through the community, they were wowed by the concept. She loves that the building will be energy efficient, everything will be under one roof and it will be a place for children. She is pleased there will be zero impact on the tax rate. She thinks the people that are negative about this are not fully informed and those that are informed should share the information. She asked for project numbers to be posted on the City's website. She will vote yes for the project.

Mayor Cutts read some emails she had received (she asked to have Councilor phone numbers placed on the website): Shannon Martin – opposed; Raymond Cutts – opposed; Cindy Ashe – support; Bonnie Gobin – support; Susan Gregory, Newport resident, – support; Jerome Doolittle – support; Elaine Osgood – opposed; Sharon Miller-Dombroski and Joseph Dombroski – support; Carmella Tenney – support; Tom Rock – opposed; Al and Joan Spahr – support.

Mr. Koloski said he appreciated the public weighing in and asked if Councilor phone numbers could be placed on the City's website. He thanked Claremont Savings Bank for its generous gift. His concerns have been answered. Coming into the meeting he had intended to vote no, because he thought this should have gone to the voters, but after receiving all the information, his vote is now yes.

Mr. Austin said this has been a long time coming. He would have liked more support from the schools. He is in favor of it.

A motion was made by Mr. Raymond and seconded by Mr. Koloski to adopt Resolution 2011-22 Authorization to Borrow Up to \$5,315,000 for the New Community Center.

Mr. Raymond read the resolution into the record.

Mayor Cutts said we need a new high school, but this is not about choosing a new high school over the New Community Center. It is about the Council level-funding the budget to stabilize the tax rate and sustain economic development in this community and to serve the people of this community by making it a full service community. This is about foresight from Goodwin and Zotto who knew the importance of health and wellness. She expressed gratitude for the generous gift from CSB.

Roll Call Vote: Motion carried 9-0.

Resolution 2011-23 Authorization to Borrow Up to \$2,185,000 for Infrastructure Improvements – Public Hearing

<u>Project</u>	<u>Amount</u>
• North & Main Street	\$785,000
• Drapers Corner	\$225,000
• Paving Program	\$1,100,000
• Misc. Fees & Contingencies	<u>\$75,000</u>
TOTAL	\$2,185,000

Mr. Santagate said this is for our share of the Drapers Corner and North & Main projects and the \$1.1 million paving around the City. We have almost \$6 million from the federal government. This is our 20% match and also for paving around the City.

Mr. Raymond asked about the \$1.1 million bond for paving versus putting it on the tax rate. Mr. Santagate said we are still in catch-up mode. Bonding for the roads is a capital item. We do pay-as-you-go for fire, police and public works vehicles. Paving has been impossible to do with the loss of the state money. Ordinarily paving is done on a bond, so there is no problem with that. Paving normally lasts 20-30 years. We would like to get back to putting paving in the operating budget. We'll try to phase that back in. This will be for projects over a two-year period. The amount of road miles versus our population is a challenge. This will give us an opportunity to grow without having a big impact.

Ms. Messier asked about the federal government match for these two projects. Mr. Santagate said we got earmarked money because these are safety issues. We are getting \$6.2 million from the federal government; Drapers project is 85% from federal; North and Main is \$4 million from federal. Drapers is very near to launching. This project will make that intersection much safer.

It is expected to be done by next year. The design work on North & Main is being done now; it will take about 1 ½ to 2 years for engineering (estimated completion 2014).

Mr. Lewis said of the North & Main completion date of 2014, that he is worried the bond won't cover the project. Mr. Santagate said he is always worried that costs will increase. It did happen with Drapers Corner and we were able to get the extra 5%. We have been very conservative there. We don't expect any other issues to come up. Mr. Lewis asked if the \$1.1 million was for paving alone or for water and sewer also. Mr. Santagate said you cannot use water and sewer money for paving. Bruce Temple, Public Works Director, said it is generally paving or roadway reconstruction. It takes \$100,000 to overlay one mile of road. Some roads are beyond plowable. Some money will go to roadway improvements, overlay and some will be combined with water and sewer money.

Mr. Koloski said a citizen had some concerns and Mr. Koloski thinks with more information, questions would be answered easier. He would like to see more information put on the website. Mayor Cutts agreed.

Mr. Burke said a Frequently Asked Questions page would help.

Mr. Burnham confirmed there was no impact on the tax rate for this resolution. Ms. Walter and Mr. Santagate said that was correct.

A motion was made by Mr. Raymond and seconded by Mr. Burke to adopt Resolution 2011-23 Authorization to Borrow Up to \$2,185,000 for Infrastructure Improvements.

Mr. Raymond read the resolution into the record.

Mayor Cutts opened the public hearing.

Bernie Folta, Ward 3, noted at the last Council meeting that Capital Projects, page 4 showed Bond Proposal was \$1 million, but on pages 11 and 23 the amount was \$1.1 million. He also mentioned that maintenance paving used to be budgeted, but is now being bonded. This is a change in practice.

Mr. Santagate said paving is bonded by most cities. Council should be commended for pay-as-you-go paving, but to balance the tax rate with downshifting from the state is a challenge, but there is nothing inconsistent with this.

Steve Raymond, Ward 1, asked if some back roads (i.e. East Green Mountain) will be paved.

Cynthia Howard, Ward 2, said there should be a plan of specific streets and roads presented before a vote is taken.

Mayor Cutts closed the public hearing.

Mr. Bergeron asked if it would be possible to get a plan for the \$1.1 million. Mr. Temple said there are over 110 miles of paved and 25 miles of gravel roads. Every year they try to do roads in every ward. They have spent a lot of money on East Green Mountain Road maintenance. Each ward has problem roads. Public Works has a plan and it is fluid because the condition of the roads change. We won't have paving prices until next April. Mr. Bergeron said part of the City Center survey is the condition of roads. Mr. Temple said sidewalks are also issues.

Mr. Lewis said last year and the year before that Public Works gave Council a wish list of the projects, so the planned piece is there.

Mayor Cutts said she trusts Mr. Temple's judgment explicitly. When feedback is received from citizens, she will share it with the City Manager.

Roll Call Vote: Motion carried 9-0.

NEW BUSINESS

Resolution 2011-24 Authorization for Refunding of General Obligation Bonds dated December 1, 2000, in the principal amount of \$1,360,762 – Public Hearing

Ms. Walter said this is to refund a bond. The difference between the original interest rate and the interest rate now is good for savings of about \$125,000. We would get that one-time payment in December. We would ask Council to set that aside for the first year (2012) interest payment of \$167,000 for this bond. The other approximately \$43,000 will come from Fund Balance. Mr. Santagate said this is like remortgaging your house when rates are lower.

Mr. Lewis asked if this would extend the time on the bond. Ms. Walter said that is not allowed.

A motion was made by Mr. Burke and seconded by Ms. Messier to adopt Resolution 2011-24 Authorization for Refunding of General Obligation Bonds dated December 1, 2000, in the principal amount of \$1,360,762.

Mayor Cutts opened the public hearing.

Bernie Folta, Ward 3, asked what general obligation the bond was originally for and what is the maturity date.

Mayor Cutts closed the public hearing.

Roll Call Vote: Motion carried 9-0.

CONSULTATION WITH LEGAL COUNSEL

None

Mr. Bergeron invited everyone to the Claremont City Center survey booth at the Chili Cook-off.

Mayor Cutts said the Dog Park volunteers will also be at the Chili Cook-off

ADJOURNMENT

At 10:04 p.m., a motion was made by Ms. Messier and seconded by Mr. Lewis to adjourn.

Voice Vote: Motion carried 9-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council