

The Claremont City Council held a meeting on Saturday, November 17, 2012, in the Council Chambers of City Hall.

The meeting was called to order by Mayor Neilsen at 9:00 a.m.

Members of the Council present were:

At-Large Councilor Keith Raymond
Ward I Councilor Victor Bergeron
Ward III Councilor Nicholas Koloski
Assistant Mayor Andrew Austin
Mayor James Neilsen, IV
At-Large Councilor Christopher Irish
Ward II Councilor Roger Formidoni
At-Large Councilor Kyle Messier
At-Large Councilor Thomas Burnham

Also present were:

Guy Santagate, City Manager
Mary Walter, Finance Director

BUDGET

Planning & Development

2013 Department Request \$322,186 Manager Proposed \$292,824
2014 Department Request \$805,016 Manager Proposed \$674,707

Ms. Walter said the new Capital Improvements Plan (CIP) items in the last column are not included in the City Manager's proposed budget. These are still needed, but can wait. There are some CIP items included in this budget (GIS overfly, which we try to do every five years; crack repairs to the floor of the building and some energy upgrades). Those make up a large percentage of the increase in this 2014 budget.

Mr. Santagate said those CIP items that were thought to be essential were included in this budget. Ms. Walter said it adds an additional 24 cents.

Mayor Neilsen asked for clarification about CIP items. Ms. Walter said if Council adds the remaining new CIP items, it will add 25 cents for a total of \$13.49.

There was discussion about funding the CIP items. Mr. Irish asked for an overview at the end of what CIP items were approved. Ms. Walter agreed to do that.

Mr. Formidoni said the \$13.23 tax rate adds \$59 to a \$150,000 home; the \$13.50 rate with the CIP items adds \$37 to that for a total of \$96 per year; with department recommendations, that adds \$300.

Mr. Irish said incremental increases add up.

Mr. Santagate said staff felt it was important to include necessary CIP items into the individual budgets.

Ms. Walter listed the CIP items: Repair cracks in floor \$10,000; Oblique aerial \$35,339 and Energy upgrades \$9,612. CIP items not in the budget: Website enhancements \$20,000; New paving/stripping \$10,000; Signs \$10,000.

Nancy Merrill, Planning and Development Director, explained a lot of work has been done to the website and the rest can wait until next year. Mr. Santagate said we are getting close to a presentation for the new website.

Ms. Messier noted this budget is dealing with the current fiscal crisis and the CIP is a long range plan. Most of the 3% increase in the budget is going to health insurance and retirement. Additionally, we have lost millions from the state of NH; hopefully we can meet with the State Reps to see if that can change. Our only revenue stream is property taxes.

Mr. Santagate said we have been doing more with less, but he doesn't want to get to the point of doing less with less.

Ms. Walter said City employees have not had raises in 5 years; when that changes, that will affect retirement, FICA, etc. and that affects the 3% increase goal.

A motion was made by Mr. Raymond and seconded by Mr. Formidoni to tentatively adopt the Planning & Development budget of \$967,531.

Mr. Santagate talked about focusing on the downtown. Staff will attend Chamber of Commerce meetings. We are getting outside publicity: Chronicle did a story about Arrowhead and Claremont was featured on Fox News Hidden Gems.

Ms. Merrill said the DVD that was made last spring has aired 32 times, on Fox Business, in Sacramento, San Antonio, Washington, Philadelphia, New Jersey and Canada will be in December.

Mr. Bergeron asked about weeds around poles; he was told that because of the chemicals used to get rid of them, people have to have special training to apply them.

Voice vote: motion carried 9-0.

TIFD-River Road

2013 Department Request \$240,500 Manager Proposed \$240,500
2014 Department Request \$544,125 Manager Proposed \$544,125

Ms. Walter said the River Road TIFD (Tax Increment Finance District) continues to do well and we continue to lend money to the Downtown TIFD. This will be paid off in 2015. Future infrastructure money that is not used will drop into the TIFD's fund balance until it is reallocated in a future year. There has been some growth since it was started.

There was discussion about the TIFD Warrant with no anticipated revenue, however Ms. Walter said we get revenue in the Downtown TIFD from developers for the parking garage. Ms. Walter explained that the revenues generated from the baseline of the TIFD goes to the General Fund; any revenues received due to development after the TIFD started stays with the TIFD.

Mr. Austin asked about a building in Syd Clarke Park. Ms. Merrill said it is still being used, but the occupants are not there a lot of the time. Ms. Walter said they do pay their taxes.

A motion was made by Mr. Burnham and seconded by Mr. Irish to tentatively adopt the TIFD-River Road budget of \$784,625.

Voice vote: motion carried 9-0.

TIFD-Downtown

2013 Department Request \$221,325 Manager Proposed \$221,325
2014 Department Request \$950,825 Manager Proposed \$950,825

Ms. Walter said in the 2013 Revenues TIFD Warrant Proposed need to add \$10,000 for \$231,300 and add \$10,000 to Environmental Cleanup – Sawtooth. We got a report stating that we need to do more monitoring; one of the monitoring pipes has been damaged and we need to fix it. We need to amend the budget to add \$10,000. We have met with the TIF Advisory Board and they are aware of this.

Mr. Formidoni said this has no effect on the taxpayer.

Ms. Walter noted that fund 21 has been converted to fund 22 and we will close the Capital Project Fund. This will be debt service going forward.

A motion was made by Mr. Austin and seconded by Ms. Messier to tentatively adopt the TIFD-Downtown budget \$1,182,150.

Voice vote: motion carried 9-0.

GCC-Recreation

2013 Department Request \$525,917 Manager Proposed \$521,014
2014 Department Request \$978,750 Manager Proposed \$969,018

Ms. Walter said this budget takes care of the new building, not the old. There is a 200% increase in utilities due to a larger building; there is 1 full-time and several part-time positions added to cover being open 360 days a year plus more hours a day.

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
- Site Plan-The Campus Effect
- Main Level
- Lower Level
- Lap Pass Fees

- New Community Center for Claremont Design Build RFP
- Design Build Process Keeping with the Building Concept
- Entrance View
- Night View from South Street
- LEED Certifiable Project
- Site & Building Presentation
- Today We Want to Review:
 - Ballard & King Model recommendations
 - Budget estimates for expenses and revenues
- Ballard & King Proforma
 - Who they are
- Ballard & King & Associates Provided an Operations Proforma for the New Facility Concept
- What Did B&K Recommend
- B&K Staffing Levels 100 hrs Wk of Operations
- B&K Operation Cost Model
 - Grand Total \$1,400,288
 - Can't fund scholarship line with tax dollars
 - Typically seek help from service organizations
- B&K Operation Revenue Model
 - Grand Total \$851,319
- B&K Operation Cost Model
- Ballard & King Cost Recovery Model
 - Cost recovery 61%
 - Revenues \$851,000
 - Expenses \$1,400,288
 - Net Cost \$549,248
- B&K Revenue
- B&K Attendance Numbers
- B&K Hours of Operation
 - 100 hours per week
- Cost Recovery & Net Cost Models
- Staff Annual Fee Model
 - B&K 1,400 annual, Staff 685 annual
- Staff Daily Fee Model
 - B&K daily 150, staff daily 50 & we expect to exceed that
- Staff 3 Month Fee Model
 - Summer use memberships
- Staff Operation Fee Model
 - Grand total \$500,585
 - Anticipated days open = 360
- New Facility Hours
 - B&K hours of operation 100 hrs
 - Staff recommended 89 hrs

- Friday expect to have events & would not have the entire building open
- Current Cost Recovery We Have Supported
 - Cost recovery 23%
 - Revenues \$146,000
 - Expenses \$644,000
- Proposed Cost Recovery
 - Cost recovery 52%
 - Revenues \$500,000
 - Expenses \$969,018
 - Net cost \$469,018
- Working the Cost Recovery Model
 - Provide an operation of the new center that provides more space to recover revenue to offset the operational expenses
 - Provide a user fee that is affordable
 - Reduce costs in the operation by using an adult volunteer service, more part-time personnel and streamlining hours of operation

Mayor Neilsen pointed out the public misconception that the New Community Center would not increase taxes or the tax burden. The missing word is “increase.” As Mr. Hausler pointed out, we are spending roughly half a million dollars for the structures we have and we will pay approximately the same for the new one. That is not an increase. The numbers shown are conservative.

Mr. Bergeron said people are asking him when they can buy a membership. He has heard from families that \$300 for a family is cheap. Doctors are sending people out of town for hydrotherapy; this will bring them back here. This will be a great asset to the community. Mr. Bergeron asked about the additional 25% for non-residents. Mr. Hausler said that is across the board.

Ms. Messier asked about the basketball court combination. Mr. Hausler said the gymnasium space has an elevated walking track above; full court line basketball court; volleyball court; divider curtain at half-court line; 2 pickle ball courts; one side is open space for 4-square and hopscotch; the full court has lines for indoor soccer.

Mr. Irish said he is guardedly optimistic; the model is six years old; he has concerns about income. He talked about a comparison to CCB in Lebanon. He said the schools are working with Twisted Fitness. We need to do more. He would like Council to receive a report of fees and expenses every month.

Mr. Hausler said he has talked to the school athletic director about having a JV Basketball tournament in January/February, but not knowing when it would be open, it didn't make sense to schedule it. He works closely with the schools as 75% of the athletic space is on municipal property.

Mr. Irish asked about saving the Zotto Gym for other agencies. Ms. Walter asked who would pay for the heat and electricity. She said it is a quonset hut. Mr. Santagate said Ms. Taylor is researching the trust to determine our legal obligations for the building. To go through the Court is a lengthy process. We can come back in December/January to talk about what the trust states.

Mr. Bergeron said people were told that if we built the new facility, we would close the old one. He doesn't think it is a good idea to keep the old one open. He talked about the JSL (Junior Sports League) building that is only used for roller skating. He thinks when the new building is opened, the other building should be shut down. He has talked to contractors about tearing it down and selling it and they said that would be a waste of time. Heating the old building would be expensive.

Ms. Walter said Public Works Director Bruce Temple had been asked if moving the quonset hut would make sense. The answer was no.

Mr. Koloski said he would like a presentation on that. He would be in favor of keeping it open if someone else were to pay the expenses.

Mayor Neilsen talked about cold storage in the armory. The armory has been advertised for development. If the armory gets used, maybe the gym would become viable for storage.

Mr. Irish suggested the building could be used for something like Grantham Indoor. He recalls there is specific caveat for that facility.

Mr. Koloski asked about overruns in 5-6 line items, but we are keeping the same funding. Mr. Hausler said he needs to make some changes to the accounts. Mr. Santagate said before the end of the year the entries will be reclassified.

Mr. Koloski asked about \$75,000 Program Materials. Mr. Hausler said it is related to program equipment, t-shirts, brochures, etc. Ms. Walter said if this were done as a revolving fund, then it wouldn't be on the tax rate. Mr. Santagate said we would have to do more study on it.

Mr. Raymond asked about sponsorships. Mr. Hausler said it goes into the General Fund to offset program fees.

Mr. Hausler noted that he would not be able to run programs and make improvements without the groups and volunteers helping out.

Mr. Burnham said he has heard concerns about how much it will cost and that it will go back on the tax rolls. Ms. Walter said it is under what is currently budgeted now. Ms. Walter said there are a lot of part-time employees factored in and if there is not enough revenue, there will be less part-timers and it will be open fewer hours.

Mr. Bergeron agreed with Mr. Irish and he is concerned about this. He likes the idea of a monthly report.

Mr. Hausler said the department is excited and cautious. He feels they have done due diligence to get this done.

A motion was made by Mr. Irish and seconded by Mr. Austin to tentatively adopt the GCC-Recreation budget of \$1,490,032.

Mr. Austin reminded everyone this will be a good facility for health issues.

Ms. Messier said she is cautiously optimistic and predicts a big push at the beginning.

Voice vote: motion carried 9-0.

Mr. Bergeron asked Mayor Neilsen to recognize the Roots. Mayor Neilsen said he would like to do this in December.

Parks

2013 Department Request \$291,811 Manager Proposed \$263,767

2014 Department Request \$439,278 Manager Proposed \$317,325

Ms. Walter said there is no CIP added to this budget. In the CIP, there is Paving of park access area \$30,000, JSL boiler \$12,000 and Pedestrian lighting system \$10,000 for total of \$52,000 (these items are not in Manager Proposed). The Manager Proposed amount is down because we are not running the outdoor pool nor are we funding Kinderfest. Mayor Neilsen said to fund the CIP items would mean the amount would be \$369,325.

Mr. Bergeron asked about the paving. Ms. Walter said it would go out to bid. Mr. Bergeron asked about money to fix the grandstands. Mr. Hausler said it is being worked on now. The plan is to use Building M&R. Mr. Bergeron suggested painting it red and black. Mr. Burnham said it needs to say Cardinal Country.

Mr. Formidoni asked about the elimination of a part-time person. Ms. Walter said they asked for a second full-time position back that was cut a couple of years ago, but they won't get it; the position will stay part-time.

Mr. Bergeron commented that even with the staff they have, they have done a good job. Ms. Walter said in reference to the JSL that she would love to get rid of some of the other buildings and put them back on the tax rolls. She would like to sell the GCC (Goodwin Community Center) and use the money for care (perpetual capital reserve) of the new facility. She is concerned about the running of the JSL and the liability that goes with it. We are already over budget this year for our portion of the maintenance of it. She questioned its limited use and the need to look at rehabbing it to put it back on the tax rolls. Mr. Santagate said there will be a new basketball court in the new facility.

Mr. Bergeron asked about paving for Moody Park. Mr. Hausler said he will consult with Mr. Temple about that whole road; it needs to be rebuilt. Ms. Walter said she doesn't recommend paving the base as there will be a timber cut up there. She suggested some of the timber money may be used to improve the road. Mr. Bergeron said if you want people to use the park, the road will need to be fixed. Mr. Hausler said it will be an expensive fix. Mr. Raymond agreed with Mr. Bergeron; it is a city gem.

Mr. Koloski asked how much it will cost to transition out of the old space to the new facilities. Ms. Walter said we are draining the pipes and closing it down. Mr. Hausler said there will be an overlap for a short period.

A motion was made by Mr. Bergeron and seconded by Mr. Raymond to tentatively adopt the Parks budget of \$581,092.

Mayor Neilsen asked about adding \$52,000 for the CIP. Ms. Walter said she would not recommend putting in a new boiler; we need to have a bigger discussion about the JSL building.

Voice vote: motion carried 9-0.

Fire

2013 Department Request \$1,013,343 Manager Proposed \$949,467
2014 Department Request \$2,280,221 Manager Proposed \$2,188,518

Ms. Walter said CIP items included in the budget is \$9,500 for Turnout gear and not included is \$5,000 to Repair masonry walls and \$5,000 to Replace retaining wall/install fencing.

Ms. Messier asked why the maintenance is being put off. Ms. Walter said we have a Capital Reserve set up for it and those two items are not essential. Re-pointing is not critical and we will do it in phases.

Mr. Koloski asked about the overages in 2012. Fire Chief Rick Bergeron said there are certain requirements needed for certifications. The increase will work for him.

Mayor Neilsen asked about the underspent Vehicle M&R. Chief Bergeron said the 1985 ladder truck has a serious frame issue; the ladder won't pass the next certification; it will cost \$7,000-\$8,000 for repairs; it should be repaired in the next couple of weeks. Another vehicle (33 years old) has been identified as shortcoming (engine tanker). We have taken credit for it as a tanker, but can't take credit for it as an engine.

Mr. Bergeron noted that if you lose one pump, it could eat up most of the \$19,000. Chief Bergeron said he is holding the money to make repairs to ladder 2.

Ms. Walter said the majority of this budget is made up of salary and benefits so there is not a lot of wiggle room for repairs. A lot of time departments hold their money until the end of the year in case repairs are needed.

Mr. Bergeron asked about the \$10,000 increase in Public Fire Protection. Ms. Walter said we pay that amount for fire hydrants

Ms. Messier asked about the Capital Escrow – Apparatus Replacement line. Ms. Walter said this was originally put in place to appropriate \$94,000 a year less lease payments. That money was diverted to the Fire Hydrant line which used to be \$62,000, but is now \$110,000. We have a capital replacement plan in place where all Fire Department vehicles are on a lease schedule. The next vehicle will cost \$700,000-\$800,000. Chief Bergeron said it shows up in the CIP.

A motion was made by Mr. Burnham and seconded by Ms. Messier to tentatively adopt the Fire budget of \$3,137,985.

Voice vote: motion carried 9-0.

Airport

2013 Department Request \$98,568 Manager Proposed \$98,668
2014 Department Request \$108,733 Manager Proposed \$108,733

Ms. Walter said the goal of the airport is to be self-sufficient.

Chief Bergeron said since Council approved the extra money for gas on Wednesday, the price has gone up 25 cents.

A motion was made by Mr. Raymond and seconded by Ms. Messier to tentatively adopt the Airport budget of \$207,401.

Voice vote: motion carried 9-0.

Streets & Roads (Highways)

2013 Department Request \$1,258,450 Manager Proposed \$1,192,101
2014 Department Request \$2,859,923 Manager Proposed \$2,442,925

Public Works Director Bruce Temple showed a PowerPoint presentation for Public Works' budget.

- DPW Budget 2013/2014
 - New Loader (\$150,000) & Truck (\$85,000)
- 2013/2014 DPW Budgets Total \$7,085,157

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- City of Claremont (43.1 square miles) Highway Maintains 126 miles of roadway, 35 miles of sidewalk, etc.
 - Painting 227,000 lf double yellow center lines, 124,700 lf white lines, etc.
- Highway (10/30/2011 – 4/30/2012)
 - Snow/ice events 13
 - Sale 2,300 tons
 - Sand 4,500 tons
- 2012 Paving Bond \$1,100,000
 - Piper Hill Rd.
 - Elm St.
 - Bonmark Dr.
 - Spencer Ave.
 - Wolcott St.
 - Foisy Hill Rd.
 - Pine/Denison
 - Myrtle/Mulberry
 - Belmont St.
 - Camden Ave.
 - Stringer Ln.
 - Dustin Heights
- Showed Pictures
 - Bonmark Drive
 - Stringer Lane
 - Foisy Hill and Dustin Heights
 - Belmont Street
 - Coy Bridge \$153,800
 - Has concrete deck
 - In future will look @ bridge beams
- Cemetery (1/1/12 - 10/31/12) \$60,250
- Mt. View Cemetery Paving
 - Not included in \$1.1 million road paving bond; came from cemetery budget
- Transfer Station Revenue \$47,633
 - Close to 40% recycling
- Municipal Solid Waste Bin
 - Casella handles mixed solid waste
- Municipal Water Treatment Plant Daily Average 1,100,000 GPD
- Primary Sources of Water
 - Sugar River Pump Station
 - Whitewater Reservoir – 150 mg
 - Rice Reservoir – 40 mg
 - Dole Reservoir – 50 mg
- Water system
 - 90 miles of distribution mains
 - 3 reservoirs

- 2 storage tanks
- 2 pump stations
- Storm water (1/1/12-10/31/12)
 - Next 3-4 yrs will address how we discharge into the river
- Water projects 1/1/12-10/31/12
 - Dole Reservoir spillway \$40,440
 - Rice Reservoir fencing (NHDES Grant) \$8,490
 - Cleaned (2) storage tanks
 - Replaced Water lines
 - Wolcott Street
 - Camden Avenue
 - Belmont Street
 - Spencer Avenue
- Dole Reservoir Spillway NHDES
- Dole reservoir Spillway Before & After
- Municipal Wastewater
 - Daily average flow 1,300,000 GPD
- Wastewater System
 - 70 miles of sewer lines
- Pump Stations & Tanks
- Bog Sewer Bourdon Center – McKenzie Drive
 - Project field costs: \$800,000

Mr. Raymond asked about inspecting the tank. Mr. Temple said highly trained personnel go in. Mr. Raymond asked how often it is inspected. Mr. Temple said this is the first time since he has been here.

Mr. Bergeron asked if Belmont can withstand the 10-wheelers driving on it. Mr. Temple said yes. He noted that there are streets all over the community that developers put in, in the 1950s and 1960s, that are insufficient and will have to be rebuilt.

Mr. Temple said a year ago we received an award for operations at the sanitary sewer plant. About week or two ago we received an award from NH DES (Department of Environmental Services) for how we handle our surface water at the water plant. Ms. Santagate said the reason for that is because the projects are being done right and will last a long time.

Ms. Walter said in the Manager Proposed, there are no CIP items, however, there is \$25,000 in the CIP for a boiler. Mr. Temple said the boiler would be in the office structure. Also, Ms. Walter said in the CIP is \$200,000 for paving, but Mr. Temple had asked for \$400,000 and he has money left for the capital bond as well.

Mayor Neilsen asked if the additional \$200,000 for paving would keep us from taking out a bond paving projects. Ms. Walter we need to be up to \$750,000 per year. We are trying to pay off some of the bonds to free up some money and then reallocate it to paving. Mayor Neilsen asked what \$200,000 would be; Ms. Walter said 27 cents on the tax rate.

Mr. Irish said he doesn't like going backward. He asked if the \$200,000 with encumbrances, etc. will get us to the \$750,000. Mr. Temple said of the \$1.1 million bond, there is \$290,000 left. If he gets \$400,000, that would get him to almost \$700,000. Going forward, we need to address Grissom Lane; in 4-5 years we will need to resurface Washington Street; he will try to resurface Route 120 from the Visitors Center to the hospital next year; and in the core of the City roads are 30-40 years old. \$1.1 million paid for 14 streets. Paving is very expensive: 6 miles a year equals \$1.2 million.

Mr. Irish would like to tentatively put in the CIP for paving.

Mr. Raymond said the biggest complaint from citizens is paving and potholes. We need to keep the set figure in the budget for paving; we need to set a goal and keep it every year.

Mayor Neilsen talked about a previous \$3 million bond that was passed and that he was against it. It was for paving. The City is trying to eliminate bonded debt service. We need to keep \$750,000 in the budget; he would like to see the \$200,000 put back.

Mr. Temple said of the \$3.2 million bond, there was a lot of reconstruction, not a lot of paving.

Mayor Neilsen said a \$750,000 annual budget does not give a lot of infrastructure rebuild money. Mr. Temple said also Main Street will be repaved from the diner to the bridge.

Mr. Koloski said he will have to stick with the City Manager's budget because we are not "out of the woods" with the economy. He would like to add the money in, but he hears from people that even adding pennies to the rate is hard for some.

Mr. Austin agreed with Mr. Koloski. Our revenues are not enough to do what we want. He hears more complaints about high taxes than the roads. He talked about the tax abatement for the Common Man and that the result could hurt the budget. He would vote no on the increase.

Ms. Messier asked what \$200,000 would be on the tax rate. Mr. Formidoni said it would be about \$40, not including the library.

Mr. Bergeron said he hears from people that taxes are high, but people want their roads fixed. It will cost twice as much to repair the roads later. He would like to see the total at the end, but for now, he will agree with the City Manager's proposed budget.

Mr. Formidoni said he is in favor of putting it in now and then taking it out later if needed.

Ms. Messier said sometimes you need to spend money to save money. Paving now will save money in the long run. The \$200,000 will be \$40 for 18 months. Mayor Neilsen said the average \$150,000 homeowner will pay \$1 more per week.

A motion was made by Mr. Raymond and seconded by Mr. Irish to tentatively adopt the Streets & Roads (Highways) budget of \$3,835,026 which includes the \$200,000 for paving, but not the money for the boiler.

Mr. Bergeron asked about the reduction in Building and Facility Maintenance. Mr. Temple said last year instead of building a new building, Public Works rebuilt a horse shed; he went back to amounts from previous years.

Roll call vote: motion carried 6-3 with Messrs. Bergeron, Koloski and Austin voting no.

Sanitation

2013 Department Request \$119,943 Manager Proposed \$117,943
2014 Department Request \$244,272 Manager Proposed \$228,944

Ms. Walter said the biggest increase is for salaries, benefits and Construction and Demolition.

Mayor Neilsen asked if Recycling is offset. Ms. Walter said we try to make Sanitation self-sufficient, but it brings in only about \$65,000 in revenues.

Mr. Temple said money comes from the sale of punch tickets and sale of metals. Mayor Neilsen asked with zero sort if the recyclables go to Casella. Mr. Temple said yes. Mr. Temple said if a person only has recyclables there is no fee, but there is a fee for trash disposal. Prices are \$3 per bag and there has been no increase for years; it should be closer to \$5.50 or \$6 a bag. Mr. Santagate said one goal was to encourage recycling.

There was a discussion about having to buy a recycling sticker for your car, but Mayor Neilsen said that may discourage recycling. Mr. Temple said at some point we may have to talk about closing the financial gap.

Mr. Koloski asked if we foresee not providing this service; he asked if it can be contracted out. Mr. Temple said state law requires that we have to provide the ability to get rid of trash and recycling. Municipal solid waste, recycling, construction and demolition are sub-contracted out.

Mayor Neilsen noted that without zero sort, we wouldn't see as much recycling.

Ms. Messier asked if metal is a revenue source. Mr. Temple said it is a small revenue source.

Mr. Bergeron said recycling is costing us money. He said other communities offer recycling for a fee.

Mayor Neilsen suggested increasing the bag price to \$4 and charge a recycling fee.

Mr. Koloski said if you start charging for recycling, you will see drop in it. The increase will make it harder for Public Works to operate.

Mr. Bergeron disagreed; recycling helps him. Without it, it would cost him more for trash disposal. He said without mandatory recycling, a lot of places don't participate. Recycling is good for the environment, but when it costs the City money, we need to look at it.

A motion was made by Mr. Raymond and seconded by Mr. Burnham to tentatively adopt the Sanitation budget of \$346,887.

Voice vote: motion carried 9-0.

Cemetery

2013 Department Request \$95,490 Manager Proposed \$87,911
2014 Department Request \$208,310 Manager Proposed \$184,458

Ms. Walter said this is down mainly because of the capital projects that are not in it this year.

Mr. Temple said there are not a lot of changes. It does generate some revenue; there are two people and one part-time mower. There are usually 30-35 weekend burials; some are on Sundays. In the future, he may consider a price differential for weekend burials.

Ms. Walter said the budget is about \$185,000 and it brings in about \$159,000 in revenue.

A motion was made by Mr. Koloski and seconded by Mr. Austin to tentatively adopt the Cemetery budget of \$272,370.

Voice vote: motion carried 9-0.

Water

2013 Department Request \$729,277 Manager Proposed \$676,957
2014 Department Request \$2,246,101 Manager Proposed \$1,872,995

Ms. Walter said this is 54% down. A couple of years ago, Sewer shifted some workers to Water and now those people have been moved back to Sewer. We are still taking money out of Retained Earnings to fund the Water Department so the next time we look at rates, this will be one of the areas to look at.

Mayor Neilsen asked if this is almost revenue neutral. Ms. Walter said to balance this budget we have to take out of Retained Earnings and that is not good.

Mr. Koloski asked about Capital Projects. Mr. Temple said he had originally asked for \$260,000, but the City Manager's recommendation is \$180,000. His request was for Drapers Corner pipe, radio read program, Rice Reservoir spillway needs improvement (NH DES said it is deficient) and dredging at the pump station at the river, if he only gets the \$180,000, he will

readdress these items. Mr. Temple talked about the radio read program and that it would help account for Water usage and that it would give customers better service.

Ms. Messier asked about the cost of the radio read. Mr. Temple said it would cost \$1.5 million to bring it on line; that is conservative. We may be able to get it for \$1.2 million. Mr. Temple said it would be \$150,000 a year over 10 years.

Mr. Bergeron asked about the increases in Consulting – Engineering & Professional. Mr. Temple said all three reservoirs have deficiencies and we have to have dam experts on board. Going forward we will have to do water analysis studies. Mr. Bergeron said we don't have a choice but to get it done. Mr. Temple said the timeline is flexible. The next big project after Rice will be replacement of the spillway at Whitewater

A motion was made by Mr. Koloski and seconded by Mr. Irish to tentatively adopt the Water budget of \$2,549,952.

Voice vote: motion carried 9-0.

Mr. Temple said in the next 18 months the filter media will need to be replaced at the water treatment plant; he will come back to Council to address it.

Sewer

2013 Department Request \$952,324 Manager Proposed \$951,964
2014 Department Request \$2,370,252 Manager Proposed \$2,355,835.15

Ms. Walter said this is the first year we are not appropriating money from Fund Balance for the Sewer. This is up 7%.

Mr. Temple said over the next couple of years, we will replace the Elm Street and Washington Street pump stations. These stations were built in the late 70s and we are not able to get replacement parts. This should be the last two big sanitary sewer items we have to look at for a while.

A motion was made by Mr. Raymond and seconded by Mr. Koloski to tentatively adopt the Sewer budget of \$3,307,801.

Mr. Burnham asked about the contract renewal for Utility Partners for wastewater treatment. Mr. Temple said it comes up in December and then he will come back to Council to enter into a multi-year contract. Mr. Santagate said it was set for one year to see how they would do and everyone is satisfied.

Voice vote: motion carried 9-0.

Outside Agency Requests (Social Services)

2013 Department Request \$0 Manager Proposed \$0
2014 Department Request \$0 Manager Proposed \$0

Ms. Walter said there is no budget for Social Services.

Mr. Koloski said in prior years money has been taken from the General Fund for this. He asked if Council wanted to look at this. Previously, he was on the committee that helped distribute the funds and he knows how those funds can help.

Mr. Bergeron said we should leave the General Fund alone because we don't know what the economy will do.

Mayor Neilsen said this is difficult times for everyone. He encouraged citizens to support the non-profit agencies

A motion was made by Mr. Bergeron and seconded by Mr. Raymond to tentatively adopt the Outside Agency Requests (Social Services) budget of zero dollars.

Voice vote: motion carried 8-1 with Mr. Koloski voting no.

Policy

2013 Department Request \$253,013 Manager Proposed \$251,780
2014 Department Request \$523,703 Manager Proposed \$508,929

Ms. Walter said this is pretty much level funded with only \$6,000 more.

Ms. Walter said this budget brings in \$120,000 which is the CCTV in and out account.

A motion was made by Mr. Koloski and seconded by Mr. Raymond to tentatively adopt the Policy budget of \$760,709.

Voice vote: motion carried 9-0.

City Administration (Finance)

2013 Department Request \$428,244 Manager Proposed \$425,092
2014 Department Request \$865,843 Manager Proposed \$840,149

Ms. Walter said this department brings in \$1.4 million with expenses of \$840,000. Health and Retirement are the largest increases. She has the majority of the clerical union members; they are the ones that got raised.

Mr. Irish asked about Equipment M&R. Ms. Walter said that Chris Burgess, Network Administrator, is working on equipment and maintenance contracts. Mr. Irish asked if it was contract money that will go through Red River. Ms. Walter said Red River is on a 2- or 3-year plan and then we will have yearly maintenance costs.

A motion was made by Mr. Raymond and seconded by Mr. Austin to tentatively adopt the City Administration (Finance) budget of \$1,265,241.

Voice vote: motion carried 9-0.

Elections & Registration

2013 Department Request \$6,800 Manager Proposed \$6,800
2014 Department Request \$15,000 Manager Proposed \$15,000

Ms. Walter said Elections are down; we will have one less. The turnout at the last election was great at 84%. Mr. Irish gave kudos to City Clerk Gwen Melcher and the election staff.

A motion was made by Mr. Koloski and seconded by Mr. Irish to tentatively adopt the Elections & Registration budget of \$21,800.

Mr. Bergeron asked about replacing voting machines. Ms. Walter said we have a contract with a company and they replace cards when needed. Mr. Bergeron suggested next year moving Ward 1 voting to the Community Center to get away from the school.

Voice vote: motion carried 9-0.

Municipal Complex (Maintenance)

2013 Department Request \$167,970 Manager Proposed \$167,970
2014 Department Request \$374,981 Manager Proposed \$338,747

Ms. Walter said this is for City Hall building, heat, fuel, cleaning in the courts, etc. The difference between Department Request and Manager Proposed are capital items: repointing bricks, air conditioner replacement and two flat roofs.

Mayor Neilsen said to keep the budget low, you can't keep taking from the capital reserve.

Mr. Koloski asked about the expenses for the former Pleasant Restaurant. Ms. Walter said that comes out of Property Maintenance in the Policy budget.

Mr. Irish asked if the \$10,000 will be placed in the Capital Reserve. Ms. Walter said yes.

A motion was made by Mr. Burnham and seconded by Mr. Austin to tentatively adopt the Municipal Complex (Maintenance) budget of \$506,717.

Voice vote: motion carried 9-0.

General Services

2013 Department Request \$582,738 Manager Proposed \$582,738
2014 Department Request \$843,893 Manager Proposed \$676,893

Ms. Walter said this is for shared things in the City (i.e. legal, property liability insurance, overlay, war service credits, etc.). Next year Colby Casey will retire so there is a retirement reserve in there. Money not spent from this year will drop into the retirement reserve account. That helps offset future liabilities. When she got here the number was about \$800,000 and now it is about \$280,000. Mr. Santagate said because of the liability, sick and vacation policies were changed so that employees can't accumulate days like they used to.

Mr. Koloski asked when the ambulance service agreement expires. Ms. Walter thinks it is another year or two. We signed a new agreement in 2011 and it is good for three years.

A motion was made by Mr. Raymond and seconded by Mr. Austin to tentatively adopt the General Services budget of \$1,259,632.

Voice vote: motion carried 9-0.

Debt Retirement (Debt Service)

2013 Department Request \$785,781 Manager Proposed \$785,781
2014 Department Request \$1,274,624 Manager Proposed \$1,274,624

Mr. Formidoni said these are non-controllable.

A motion was made by Mr. Formidoni and seconded by Mr. Irish to tentatively adopt the Debt Retirement (Debt Service) budget of \$2,060,405.

Ms. Walter said because of the timing of the 18-month budget, the debt retirement is paid off when the New Community Center bond comes on board, so she does not have to take anything out of Fund Balance. That saved us about \$460,000

Voice vote: motion carried 9-0.

Revenue

2013 Department Request \$7,719,268 Manager Proposed \$7,719,268
2014 Department Request \$4,420,108 Manager Proposed \$4,420,108

Ms. Walter said this is Revenue for the General Fund. She asked about ways to increase revenues. In reference to a meeting with the Reps, she suggested talking about a residency requirement for Welfare recipients; gas tax increase of 3-4 cents; change the millage rate from 6 years to 5 years; and getting back Shared Revenues would help. Mayor Neilsen asked to get this information in an e-mail.

Ms. Walter said a COPS grant drops off in February and the other one goes away in one year so we will be fully funding two positions.

Mr. Formidoni asked if we actually collect Interest Income and Interest on Taxes. Ms. Walter said yes; Interest on Taxes is almost \$300,000 and Interest Income is a wash. Mr. Formidoni asked about Rooms & Meals tax. Ms. Walter said the state takes all that income from restaurants and hotels and they use a formula to distribute the money to cities and towns, although the state said not to expect the money.

Mr. Koloski asked about Payments in Lieu of Taxes (PILOT). Ms. Walter said Wheelabrator fell off that and is now on the tax rate. Since Police have to go out to a number of our non-profit agencies, Ms. Walter believes they should be required to pay the City's portion of the taxes.

Ms. Messier asked if it is state law that certain non-profits don't have to pay. Mr. Santagate said yes.

Mayor Neilsen asked why Wheelabrator is not on. Ms. Walter said the five-year PILOT was negotiated through a court settlement. It is finished and they are now on the tax rolls.

Mr. Bergeron asked about people not paying taxes. Ms. Walter said we will go for tax liens in the next couple of months.

A motion was made by Mr. Koloski and seconded by Ms. Messier to tentatively adopt the Revenue budget of \$12,139,376.

Ms. Messier suggested in reference to the request to generate revenue: generate a list of non-profit properties not paying taxes or a PILOT. She just wants to know the number.

Mr. Koloski asked for the number of apartment buildings and units within those buildings in Claremont and the number that are owned by the same person(s). We need to look at the conditions of these apartments and what we are attracting into the City.

Mr. Bergeron suggested having a nuisance ordinance for repeated police usage.

Voice vote: motion carried 9-0.

Ms. Walter said for every \$789,000 that is \$1 on the tax rate.

Ms. Messier said raising the budget 3% is 39 cents or \$58 for the average home; the library employee adds \$12; and the \$200,000 adds \$40. Mayor Neilsen said that equals about \$100 on a \$150,000 home for 18 months.

Mr. Koloski said the budget hearing will be Wednesday, November 28th, at 6:30 p.m. Mayor Neilsen said there is a non-public meeting on Wednesday, December 5th, at 7 p.m. Ms. Messier will be late for the 28th meeting. Mr. Burnham said Arrowhead needs volunteers for the winter.

CONSULTATION WITH LEGAL COUNSEL

None

ADJOURNMENT

At 2:37 p.m., a motion was made by Ms. Messier and seconded by Mr. Austin to adjourn.

Voice vote: motion carried 9-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council