

The Claremont City Council held a meeting on Wednesday, November 28, 2012, in the Council Chambers of City Hall.

The meeting was called to order by Mayor Neilsen at 6:30 p.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  
Jane Taylor, City Solicitor  
Mary Walter, Finance Director

## **MAYOR'S NOTES**

None

## **ADOPTING THE 2013-2014 BUDGET**

### Resolution 2013-1 Tax Anticipation Note – Public Hearing

Ms. Walter said she is not sure how quickly the revenue will come in so we'll use the Tax Anticipation Note (TAN) only if needed, however we don't anticipate needing it. Mayor Neilsen asked why this wouldn't be brought forth when it is needed. Ms. Walter said it is not on the books, but is only approved now in case it is needed. Typically May and November are tight.

Mr. Koloski said he wanted to wait to act on this until it is needed.

Mr. Santagate said we are currently on a calendar year and converting to a fiscal year. Typically, we mail out tax bills in June, so we don't have that revenue coming in from January to June. It is typical for us to use a TAN where we borrow from the Water or Sewer funds and then pay them back at a quarter point above prime interest which is allowed by law. When the tax payments come in, we pay off the loan.

Mayor Neilsen asked about borrowing and Mr. Santagate explained we don't borrow the whole \$6 million at once; it is a line of credit. Mayor Neilsen said it is like a revolving line; you borrow when it is needed and then pay it back with the revenues.

Mr. Bergeron said he sees no problem with this as long as Council is kept informed. Ms. Walter said that report is in her monthly finance report to the Council.

Mr. Burnham agreed with this.

**A motion was made by Mr. Raymond and seconded by Mr. Bergeron to adopt Resolution 2013-1 Tax Anticipation Note.**

Mr. Raymond read the resolution into the record.

Mayor Neilsen opened the public hearing. No one spoke. He closed it.

**Roll call vote: motion carried 7-1 with Mr. Koloski voting no.**

#### **CITIZEN'S FORUM**

Francis Gauthier, Ward 2, talked about ideas he received from a landlord meeting he went to in Springfield, Vermont. He talked about cleaning up Trinity, Franklin and Walnut Streets (i.e. dog waste and trespassing). He said signage and security cameras brought the area into control. He said the City needs to have an ordinance requiring that multi-family homes keep their doors closed and windows stay closed in the winter. He talked about running video of "out of control neighborhoods" through the wireless fire alarm systems and that it would bring compliance.

Mr. Formidoni asked if Springfield has ordinances for this. Mr. Gauthier said they are putting them in place now. He talked about welfare and the requirement that kids stay in school until they are 18 years old causing an exodus from Claremont to Springfield, VT.

Bernie Folta, Ward 3, said operating the City involves cost and expense. Claremont has opportunities for improvement that could save money. He said he sees inefficiencies in the City Manager's office. He suggested setting up a citizen committee for the increased effectiveness and efficiencies for the City.

Brian Small, Ward 1, said residents can't afford an increase in taxes. He asked for Council feedback about how they think residents can afford an increase.

#### Resolution 2013-2 Adopting the 2013-2014 General Fund Budget for the City of Claremont – Public Hearing

**A motion was made by Mr. Irish and seconded by Mr. Raymond to adopt Resolution 2013-2 Adopting the 2013-2014 General Fund Budget for the City of Claremont.**

Mr. Irish read the resolution into the record including the \$200,000 for Roads and \$66,414 for the Library for a total of \$22,852,379.

Mr. Koloski said he is not in favor of adding the \$200,000 for roads. We have done more for roads than has been done in 10 years. He said Public Works Director Bruce Temple has done an incredible job on the roads with the \$1.1 million bond. He has heard from people that they can't afford an increase. He is in favor of keeping the \$66,414 in the Library budget.

Mr. Austin said he agreed with Mr. Koloski. He has heard from people that they can't afford an increase.

Mr. Burnham said he would like to see a level-funded budget. A lot of people can't afford an increase on the tax rate. He suggested \$22,351,797 as the bottom line. To fix this, we need to cut services and the citizens should talk to their state Senator and Representatives to find out what they are going to do to raise the revenues the City needs to run.

Mr. Bergeron said he would love to do what Mr. Burnham suggested; he asked where the City Manager would find the \$500,000 to cut. Mr. Burnham said with the cuts the City Manager would run a lean city. Mr. Bergeron said it would be Council's responsibility to make the cuts. He doesn't agree with this. He said he doesn't agree with the amount of the increase, but he will not support a zero-based budget.

Mr. Raymond said he won't agree with this as it would mean layoffs. He would rather not increase taxes, but we need to move the City forward.

Mr. Koloski said he couldn't think about this without knowing where the cuts would be. Without that, he would not agree.

Mr. Irish said it's the Council's job to tell the City Manager where to make cuts. The reality is we can't count on the state revenues. Property tax is antiquated. It is not based on the ability to pay nor affordability; it is based on what is needed to run the city. We cannot cut our way to prosperity.

Mayor Neilsen talked about Sullivan County Complex deficit of over \$1.5 million and that they found out they needed to have a plan in place to change that. He doesn't like to pay interest on money. The \$200,000 in the road budget will bring it up to about \$700,000. By paying a portion each year, we will save by not having to borrow and pay interest.

Mayor Neilsen said without the \$200,000, \$38 would be saved over 18 months.

Mr. Koloski said the only way to change is to bring other businesses to the community. People don't say they won't move here because of the roads, but he hears about the tax rate.

At 7:09 p.m. Ms. Messier arrived.

Mr. Austin agreed with Mr. Koloski. Almost everyday he hears about taxes being too high, but he doesn't hear about roads being bad.

Mr. Koloski said now is not the time to add the \$200,000.

Ms. Messier asked some citizens their opinion about the budget. 30% don't know anything about it. 40% said money is tight, but they don't want to lose services, they want to maintain what we have. 30% are concerned about the increase in taxes and they would not like an increase in taxes. The City Manager's proposal is for a 3% increase. She agrees with adding the Library position back in and the \$200,000 for roads. She would not agree with cutting the budget \$500,000. She thinks the City Manager presented a good budget.

Francis Gauthier, Ward 2, thinks if you, in small ways, pressure multi-families and landlords, who import welfare recipients into our City, you could cut \$200,000 off the Welfare budget. Taxpayers are paying for landlords to import people from unknown places; they wear out the Police.

Steve Raymond, Ward 1, said in reference to the roads, that he has complained about East Green Mountain Road for 5 years. Part of the road has been done. People still need roads fixed. They are getting better, but they are far from good.

Bernie Folta, Ward 3, talked about a story in the Valley News about crime and drug dealers in Springfield, Vermont. He said he hopes Council will reconsider the Police Chief's proposal for an increase for public safety. He said it is wrong to increase the Library without increasing the Police. He said Richards Library in Newport is an attractive and vibrant place to go. Claremont's Library is more like a morgue.

At 7:23 p.m. Mr. Burnham left Council Chambers.

Lloyd Stockwell, Ward 2, said he has lived in Claremont all of his life, but it is getting expensive. It is hard to sell property because of the taxes. If you can't afford it, don't buy it. He lives on Chase Street and there are a lot of potholes. It is difficult to live here because of the taxes.

Cynthia Howard, Ward 2, said Claremont taxpayers are being held hostage because of tax increases. She said we need to level-fund the budget. At \$34.37 per \$1,000 tax rate, we are the highest in the state. The increases have no tangible benefits to citizens.

At 7:26 p.m. Mr. Burnham returned.

Ms. Howard said to stop the increases, employees need to pay more of their insurance costs. She favors cutting the budget at least \$666,000. She asked Mr. Santagate what he expects to do to alleviate the health burden. Mayor Neilsen said the City is still in union negotiations. The health care premiums for retired employees have been downshifted from the state. Ms. Howard asked about sharing the cost with the school district. Mayor Neilsen said you can only do that through

union negotiations. Mr. Santagate said we can't discuss this while in negotiations. Ms. Howard asked how much Arrowhead is subsidized. Ms. Walter said there is a \$16,500 budget. Mr. Santagate said that is an amazing number; all the work is done by volunteers. Ms. Howard asked what the cost is for independent contractors, outside attorneys and consultants. Ms. Walter said there is a consultant line in each department.

**A motion was made by Mr. Bergeron and seconded by Ms. Messier for discussion to subtract \$170,000 from the bottom line of the budget for a total of \$22,682,379.**

Mr. Bergeron suggested the change would be to only give \$100,000 to Public Works, take the \$40,000 from Welfare and put the Library position in at half time (cut to \$30,000).

Mr. Formidoni said that amounts to a \$35 savings over 18 months. Ms. Walter said that would be a 51 cent increase on the tax rate. \$170,000 would save \$76 for 18 months on a \$150,000 home.

**Roll call vote: motion to amend failed 2-7 with all voting no except Mr. Bergeron and Ms. Messier.**

Mr. Koloski said he does not disagree that some roads need work, but the number one thing that affects bringing business here is the taxes.

Mr. Irish said that ignoring the Police Department will come back to bite us. He talked about adding to the Police budget affordability and tax rate versus tax burden. If we are to do better, we need to make the City attractive. He asked if some other Councilor would make the motion to add money to the Police budget.

Mr. Koloski said he was hoping that contract negotiations would handle police issues.

Mr. Raymond said this budget proposal retains the Library position and it did not cut the 911 budget. We need to grow forward slowly.

Mr. Bergeron said the bigger picture is where the community is going. It is headed in the wrong direction, because of the makeup of the people coming to the community; we are becoming a social service center of the area. We cannot afford to double the Welfare budget every four years as we have done.

**Roll call vote: motion failed 4-5 failed with Messrs. Bergeron, Koloski, Austin, Burnham and Mayor Neilsen voting no.**

Mayor Neilsen said this is not the year to add \$200,000 into the paving budget. The Library Trustees made a good case that the position was a necessity. He voted no because he wanted the deduction to be larger.

**A motion was made by Mr. Bergeron and seconded by Mr. Austin for discussion for a level-funded budget of \$22,351,797.**

Mr. Burnham said that eliminates \$500,000. Mr. Irish asked where the cuts will come from. Mr. Burnham said that is up to the City Manager to come back with those numbers.

Mr. Austin said that is only \$300,000 as \$200,000 was from paving.

Mr. Bergeron said that is going back to the 2012 amount. That would result in major layoffs.

Mr. Koloski said he doesn't agree with this and will not support it.

Mr. Irish said he can't support this. We need to be thoughtful about this.

Mayor Neilsen asked if you back out the \$200,000 for more paving and the Library position, what needs to be changed that was tentatively approved.

**Mr. Burnham withdrew his motion and changed it to \$22,585,965 which is the City Manager's proposed budget. Mr. Austin withdrew his second and then seconded this motion.**

Ms. Messier said she agreed with Mr. Bergeron's suggestion to cut the additional money for the roads in half.

Mr. Bergeron talked about the Welfare budget and agreed with Mr. Irish about needing compromise.

Mr. Raymond said we need to keep moving forward. He suggested adding \$100,000 for paving and \$66,414 for the Library.

Mr. Koloski said he will vote against the motion because he likes Mr. Bergeron's alternative.

**A motion was made by Mr. Irish and seconded by Mr. Raymond to amend the motion to \$22,752,379.**

Mr. Irish said that cuts \$100,000 (paving) from the original motion.

Ms. Walter said that is \$89 a year compared to \$57. This adds \$166,414 to the City Manager's budget.

**Roll call vote: motion to amend approved 7-2 with Messrs Bergeron and Formidoni voting no.**

**A motion was made by Mr. Irish and seconded by Mr. Raymond to adopt Resolution 2013-2 Adopting the 2013-2014 General Fund Budget for the City of Claremont for \$22,752,379.**

Brian Small, Ward 1, asked to discuss Welfare funding. Council said this is an unfunded mandate. Council will discuss this with the state reps.

Francis Gauthier, Ward 2, said five years ago, when he went to the Police Department about dog waste, he was told those people have constitutional rights and now Trinity Street has been cleaned up. He suggested pressuring landlords to keep the doors closed and fix windows. He said cracking down on dogs is a prelude to finding something bigger in the crime world.

Bernie Folta, Ward 3, said every budget has padding. In reference to the law about welfare, he said the ultimate solution is to change the law about cities. He suggested having a hybrid city where the Council can direct the manager where to spend or where citizens can vote directly on the budget.

**Roll call vote: motion carried 8-1 with Mr. Bergeron voting no.**

Resolution 2013-3 To Adopt the 2013-2014 Water Division Budget for the City of Claremont – Public Hearing

**A motion was made by Mr. Raymond and seconded by Mr. Austin to adopt Resolution 2013- 3 To Adopt the 2013-2014 Water Division Budget for the City of Claremont.**

Mr. Raymond read the resolution into the record.

Mayor Neilsen opened the public hearing. No one spoke. He closed it.

**Roll call vote: motion carried 9-0.**

Resolution 2013-4 To Adopt the 2013-2014 Sewer Division Budget for the City of Claremont – Public Hearing

**A motion was made by Mr. Bergeron and seconded by Mr. Koloski to adopt Resolution 2013- 4 To Adopt the 2013-2014 Sewer Division Budget for the City of Claremont.**

Mr. Bergeron read the resolution into the record.

Mayor Neilsen opened the public hearing. No one spoke. He closed it.

**Roll call vote: motion carried 9-0.**

Resolution 2013-5 To Adopt the River Road Tax Increment Finance District Budget for the City of Claremont – Public Hearing

**A motion was made by Mr. Koloski and seconded by Mr. Austin to adopt Resolution 2013-5 To Adopt the River Road Tax Increment Finance District Budget for the City of Claremont.**

Mr. Koloski read the resolution into the record.

Mayor Neilsen said when this was first implemented, the original plan of the TIFD was that revenues would be added to the Grand List. He pointed out that the Downtown TIFD wouldn't make it without this.

Mayor Neilsen opened the public hearing.

Cynthia Howard, Ward 2, read a letter and quoted RSA 162-k:10 about borrowing from one TIFD to fund another TIFD being prohibited. Revenues generated in one TIFD need to remain in that TIFD. She asked if the City Manager has legal documents that he is authorized to take care of a TIFD and set it up. Mr. Santagate said we had a legal opinion that we could do that. Ms. Howard said she would like a copy of the legal document. Council told her to make a 91-A request. She asked how much is being borrowed including interest. Ms. Walter said about \$950,000.

**Roll call vote: motion carried 8-1 with Mayor Neilsen voting no.**

Resolution 2013-6 To Adopt the Downtown Tax Increment Finance District Budget for the City of Claremont – Public Hearing

**A motion was made by Austin and seconded by Mr. Raymond to adopt Resolution 2013-6 To Adopt the Downtown Tax Increment Finance District Budget for the City of Claremont for \$1,182,150.**

Mr. Austin read the resolution into the record.

Mayor Neilsen opened the public hearing.

Cynthia Howard, Ward 2, asked how much revenue has been generated by the Downtown TIFD. Mayor Neilsen said \$866,425. Ms. Howard asked how much the loan payment is. Ms. Walter said it is \$250,000 to \$300,000 a year. We only borrow the money for less than a year and then it is paid back with interest.

**Roll call vote: motion carried 9-0.**

**CONSULTATION WITH LEGAL COUNSEL**

None

**ADJOURNMENT**

**At 8:38 p.m., a motion was made by Mr. Raymond and seconded by Ms. Messier to adjourn.**

**Voice vote: motion carried 9-0.**

Respectfully Submitted,

Dorée M. Russell  
Clerk to the Council