

The Claremont City Council held a meeting on Thursday, May 28, 2015, 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 Carolyn Towle
Ward III Councilor Nicholas Koloski
Assistant Mayor Victor Bergeron
Mayor James Neilsen, IV
At-Large Councilor James Reed
Ward II Councilor Charlene Lovett
At-Large Councilor Kyle Messier
At-Large Councilor John Simonds

Also present were:

Guy Santagate, City Manager
Jane Taylor, City Solicitor
Mary Walter, Finance Director

BUDGET

Outside Agency Request – Public Hearing

Department Request \$0 City Manager Proposed \$1,300.00

Ms. Walter said this is for the Community Alliance Transportation for the bus service at the Amtrak stop. It is a yearly payment. Council can add money for other social or community service agencies.

Mr. Santagate said the City has received requests for funding, but we have told them their requests are not being funded.

Ms. Lovett said having intermodal transportation is one of the components Northern New England Intercity Rail Initiative (NNEIRI) looks at and that enhances our ability to compete to be a viable stop on that initiative.

Councilors agreed this should be continued.

Mr. Santagate asked about other agencies being told that the City is not funding this line item. Mayor Neilsen said the Council is not funding requests and took this up as a special initiative.

Councilors said they would like to continue to receive copies of the funding requests and copies of the response from the City explaining that there is no funding, but that an application would be forwarded to them if funding is added to the budget.

Mayor Neilsen opened the public hearing.

Bernie Folta, Ward 3, said that the Amtrak Ad Hoc Committee is a Council committee, so he doesn't understand why this is listed as an outside agency.

A motion was made by Mr. Bergeron and seconded by Ms. Lovett to tentatively approve the Outside Agency Request budget of \$1,300.00.

Voice vote: motion carried 9-0.

Planning & Development – Public Hearing

Department Request \$825,484 City Manager Proposed \$794,316

Nancy Merrill, Planning and Development Director, showed a PowerPoint presentation describing the functions of the department; Building, Health & Property Maintenance Codes, July 1, 2014 to present; listing completed projects; Grant Summary (cumulative not just this last year) \$15 million; New Construction and Expansions.

Ms. Merrill anticipates the level of activity to continue.

Mr. Santagate said we are starting to see results in economic development. It just takes time.

Ms. Merrill said Consulting – Master Plan \$10,000 is for updating the Master Plan starting this summer. Equipment M&R – Contracted Services is being moved to Planning and Development from the Finance Department to be used to purchase a new software package.

Ms. Walter said Finance pays \$6,000 in maintenance fees each year to support the modules Planning and Development uses. That money has been moved from Finance to Planning and Development. She will drop those modules on January 1st.

Ms. Messier asked about the TIGER grant. Ms. Merrill said this is for Main Street from the Beauregard Village intersection to Elm Street. It will reduce accidents, erosions, add sidewalks to Elm Street, and will add sidewalks on North Street to the Visitors Center.

Mr. Santagate said it is about a \$9 million grant. It's important to be mindful of what we ask the Delegation for funding. This and water & sewer are two requests we have in to Congresswoman Kuster's office. If she gets too many requests, she may fulfill a smaller one and it won't help our larger dollar efforts.

Allen Damren, Ward 1, said in the Capital Improvement Plan, Planning and Development section, there were two projects (update on website and signage on the access roads coming into Claremont) that have no funding, but he considers them important. He asked for an update.

Ms. Walter said the signs have been completed and the website enhancements have been completed.

Pete Wright, Ward 2 resident and CEO of Valley Regional Hospital, said in reference to economic development that what is missing is funding for the roads. He said when he brings physicians into the community, he receives comments about the roads. He encouraged Council to take an economic look at the roads and to look at other budgets to fund them.

Mayor Neilsen closed the public hearing.

A motion was made by Mr. Raymond and seconded by Ms. Towle to tentatively approve the Planning & Development budget of \$794,316.

Voice vote: motion carried 9-0.

Resolution 2016 - 1 Tax Anticipation Note – Public Hearing

This is to issue and sell notes of the City of Claremont, in an amount not to exceed \$2,000,000.00 in anticipation of receipt of taxes for the fiscal year 2016.

Mayor Neilsen asked about borrowing the money internally. Ms. Walter said we haven't needed to use this in a couple of years, this is just in case the money is needed.

A motion was made by Ms. Lovett and seconded by Mr. Bergeron to adopt Resolution 2016 - 1 Tax Anticipation Note.

Ms. Lovett read the resolution into the record.

Mayor Neilsen opened the public hearing.

AJ Maranville, Ward 2, thought the quarterly tax bills would eliminate the need for Tax Anticipation Notes (TAN). Ms. Walter said we haven't had to use a TAN in a couple of years. Mr. Maranville said he was sure it will be used to fill voids.

Mayor Neilsen closed the public hearing.

Roll call / vote: motion carried 9-0.

PUBLIC HEARING AND VOTE – 2016 BUDGET

Ms. Lovett said as a result of the City's revaluation, the City has lost approximately \$90 million in valuation. Because of the City's tax rate and the City Manager's proposal to level-fund the budget, it is important to prioritize and level-fund departments that are not a high priority. This would be a short-term solution. She believes Police, Dispatch, Fire and Public Works (streets and roads) are priorities. She proposed level-funding the non-priority budgets that had requested increases for this year and to put the nearly \$60,000 into the streets and roads budget. She said in Public Works' presentation, seven projects were listed at \$60,000 or below. Bonding will be needed for the larger projects.

Tom Woodley, Public Works Director, said his top priority project would be the \$129,560 for Elm Street, North Street to Dunning Street.

Mayor Nielsen said he is not in favor of cutting thousands of dollars from individual budgets. It hurts them more than it helps Public Works. Bonding is not a permanent answer. With the bond it will be important for the Council to set priorities.

Ms. Messier agreed Council needs to set priorities. Level-funding leads to tight budgets and losing those funds would have a big impact on the losing departments. Each department adds to economic development.

Mr. Bergeron said this year, or the next, Council needs to find ways to increase revenues to pay for roadways. The City can't be the only entity (City, School, County) to level-fund.

Ms. Lovett said the City needs to be consistent with putting money into the road budget.

Mr. Raymond said taking small amounts out of smaller budgets for roads is not the way to go.

Mayor Nielsen said the school took out a bond for \$12.5 million and everyone congratulated the School Board for doing what it had to do, even though taxes went up, but we don't want taxes to go up so we cut paving. We have to bond for roadwork. We have to have a consistent amount in the budget for paving.

Mr. Koloski said taking money from the Library for the roads doesn't make sense and it sends the wrong image to the public.

There was discussion about needing the bond to catch up with needed paving. There needs to be money in the operating budget for maintenance of roads. \$1 on the tax rate is equal to \$689,000. Fifty cents per thousand would be \$345,000, or \$67 for a \$135,000 home.

Resolution 2016 - 2 To Adopt the 2016 General Fund Budget for the City of Claremont – Public Hearing

City Manager's proposed budget:

2016 GENERAL FUND

Expenditure Summary:

Policy and Administration

| | | |
|---------------------------|----|---------|
| Policy | \$ | 760,871 |
| City Administration | | 932,088 |
| Elections & Registrations | | 12,900 |
| Assessing | | 195,062 |
| Municipal Complex | | 389,875 |
| Planning & Development | | 794,316 |
| General Services | | 670,950 |

Public Safety

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|----------------------|----|-----------|
| Communications – 911 | \$ | 470,104 |
| Police Department | | 2,585,397 |
| Fire Department | | 2,580,447 |

Health & Welfare

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| Welfare Department | \$ | 364,247 |
|--------------------|----|---------|

Public Works

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|-----------------|----|-----------|
| Sanitation | \$ | 224,792 |
| Streets & Roads | | 2,631,107 |

Public Library 475,462

Debt Service 1,118,320

Public Service Enterprises

| | | |
|---------------------|--|---------|
| Cemetery Department | | 189,338 |
| Airport | | 111,225 |

Recreation & Parks

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|------------------|--|-----------|
| Parks Department | | 388,849 |
| CSB - Recreation | | 1,214,432 |

Outside Agency Request 1,300

TOTAL EXPENDITURE \$16,111,082

Revenue Summary

| | |
|---------------------------|--------------------|
| Taxes | \$ 11,050 |
| Interest on Taxes | 350,000 |
| State of New Hampshire | 964,811 |
| Licenses/Permits/Fees | 1,816,120 |
| Departmental Income | 1,540,400 |
| Rent of City Property | 75,144 |
| Payments in Lieu of Taxes | 81,285 |
| Miscellaneous Revenue | 56,000 |
| From Fund Balance | 772,000 |
| REVENUE TOTAL | \$5,666,810 |

A motion was made by Mr. Simonds and seconded by Mr. Raymond to adopt Resolution 2016 - 2 To Adopt the 2016 General Fund Budget for the City of Claremont.

Mr. Simonds read the resolution into the record.

A motion was made by Ms. Lovett and seconded by Mr. Bergeron to amend the budget, based on tentatively approved changes, for Account 411 (Policy) reduce by \$90,000 = \$670,871; Account 434 (Sanitation) reduce by \$6,463 = \$218,329; Account 441 (Streets & Roads) add \$6,463 = \$2,637,570; Revenue decrease fund balance by \$90,000 = \$682,000.

Mayor Neilsen opened the public hearing.

AJ Maranville, Ward 2, asked about spreading out the bond timeframe. He doesn't think it has to be spent in 2-2 1/2 years.

Bernie Folta, Ward 3, he wondered how Claremont's percentages for safety, sports/athletics and recreation compare to other communities. He talked about safety and sidewalks. He lives on North Street and he sees people go into the road to avoid using the sidewalk. He suggested maybe \$10,000 could do something decent for the sidewalk. He wondered if there were some fund balance resources that could be used for roads / sidewalks. He asked if the City has a list of streets and roads with condition and length. He suggested the City could have a budget committee to include citizens.

Jim Feleen, Ward 2, said there is a need for maintenance at the Community Center and the Parks. He said the Community Center is starting to show signs of deferred maintenance. Parks maintenance is done by 1 1/2 people for 600 acres. He suggested increasing the hours of the existing staff to be allocated to maintenance, or have brand new positions with associated budgets. He suggested exploring cost shifting to the schools and increase funding for contracted services.

Mayor Neilsen closed the public hearing.

Roll call vote on the amendment: motion carried 9-0.

A motion was made by Ms. Lovett and seconded by Mr. Reed to further amend the budget: Municipal Complex reduce \$15,954; Sanitation reduce \$10,000; Library reduce \$7,086; Cemetery reduce \$6,084; Airport reduce \$1,570 and Parks reduce \$18,231 for a total reduction of \$58,925.

Mr. Koloski stated he would not be able to vote on this until he heard from department heads what this would do to their budgets.

Ms. Walter said Municipal Complex \$10,000 is to replace the exhaust fans in the Police Department (coming from capital reserve so you need to take it from revenues as well). The rest will come from fuel oil.

Michael Grace, Librarian, said \$7,000 would be 350 books they would not be able to purchase or they would have to eliminate the person who works on Saturdays for the whole year.

Tom Woodley, Public Works Director, said he appreciates having more money in paving. For the Cemetery, it would come from Vehicle & Equipment M&R and Temporary & Seasonal help which are needed for Memorial Day, mowing, etc.; a lot of items are fixed costs and something will come up short. Sanitation they had to increase the cost for Landfill Monitoring; Landfill Mowing may be reduced to once a year; money was budgeted to fill some holes in the landfill. If the money gets taken, it would hurt those budgets.

Mark Brislin, Parks and Recreation Director, said taking the money from Parks would hurt. They have increased the number of events in the parks and they have to take care of the facilities. They could do it if they have to, but it will hurt.

Mayor Neilsen opened the public hearing.

Bernie Folta, Ward 3, thinks it would be good to have a citizen committee look at Claremont's efficiency.

Mayor Neilsen closed the public hearing.

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

Roll call vote to move the question: motion carried 7-2 with Mr. Reed and Ms. Lovett voting no.

Roll call vote on the amendment: motion failed 2-7 with Mr. Raymond, Ms. Towle, Mr. Koloski, Mr. Bergeron, Ms. Messier, Mr. Simonds and Mayor Neilsen voting no.

Roll call vote on the amended motion (using tentatively approved figures): motion carried 8-1 with Ms. Lovett voting no.

Resolution 2016 - 3 To Adopt the 2016 Water Division Budget for the City of Claremont
– Public Hearing

2016 PROPOSED WATER DIVISION BUDGET

REVENUE

| | |
|-------------------------------------|------------------|
| Water Revenue | 1,418,021 |
| Miscellaneous Revenue | 11,418 |
| From Retained Earnings/Fund Balance | 1,411,545 |
| TOTAL | 2,840,984 |

EXPENSE

| | |
|------------------|------------------|
| Water Department | 2,840,984 |
| TOTAL | 2,840,984 |

A motion was made by Mr. Bergeron and seconded by Mr. Raymond to adopt Resolution 2016 - 3 To Adopt the 2016 Water Division Budget for the City of Claremont

Mr. Bergeron read the resolution into the record.

Mayor Neilsen opened the public hearing.

Bernie Folta, Ward 3, said in the budget there is a note under Water Service Fees, “These rates need to be revisited.” He said people should get ready for possible water and sewer rate increases.

Mayor Neilsen closed the public hearing.

Roll call vote: motion carried 9-0.

Resolution 2016 - 4 To Adopt the 2016 Sewer Division Budget for the City of Claremont
– Public Hearing

2016 PROPOSED SEWER DIVISION BUDGET

REVENUE

| | |
|-----------------------|------------------|
| Sewer Revenue | 2,378,854 |
| Miscellaneous Revenue | 265,056 |
| | <hr/> |
| TOTAL | 2,643,910 |

EXPENSE

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|------------------|------------------|
| Sewer Department | 2,643,910 |
| | <hr/> |
| TOTAL | 2,643,910 |

A motion was made by Mr. Koloski and seconded by Mr. Simonds to adopt Resolution 2016 - 4 To Adopt the 2016 Sewer Division Budget for the City of Claremont.

Mr. Koloski 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.

TIFD-River Road – Public Hearing

Department Request \$600,000.00 City Manager Proposed \$600,000.00

Nancy Merrill, Planning and Development Director, said the Tax Increment Finance District (TIFD) – River Road was coming to an end June 2016. After 2016 they will have to address moving Sales Office Support and Marketing into another budget.

Mayor Neilsen opened the public hearing.

Bernie Folta, Ward 3, said in the Marketing and Project Development information he would like to see the date of the events added to for clarity.

Mayor Neilsen closed the public hearing.

TIFD-Downtown – Public Hearing

Department Request \$933,300.00 City Manager Proposed \$933,300.00

Ms. Merrill said the Environmental Cleanup – Sawtooth ground water monitoring will go on for another three years.

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

Resolution 2016 - 5 To Adopt the 2016 River Road Tax Increment Finance District Budget for the City of Claremont – Public Hearing

**2016 PROPOSED TAX INCREMENT FINANCE
DISTRICT BUDGET – RIVER ROAD**

REVENUE

| | |
|------------------------|---------|
| Revenue | 503,100 |
| From Retained Earnings | 96,900 |

| | |
|--------------|----------------|
| TOTAL | 600,000 |
|--------------|----------------|

EXPENSE

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|----------|---------|
| Expenses | 600,000 |
|----------|---------|

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|--------------|----------------|
| TOTAL | 600,000 |
|--------------|----------------|

A motion was made by Mr. Raymond and seconded by Mr. Simonds to adopt Resolution 2016 - 5 To Adopt the 2016 River Road Tax Increment Finance District 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 2016 - 6 To Adopt the 2016 Downtown Tax Increment Finance District
Budget for the City of Claremont – Public Hearing

**2016 PROPOSED TAX INCREMENT FINANCE
DISTRICT BUDGET – DOWNTOWN**

REVENUE

| | |
|----------|---------|
| Revenues | 933,300 |
|----------|---------|

| | |
|--------------|----------------|
| TOTAL | 933,300 |
|--------------|----------------|

EXPENSE

| | |
|---------------------------|---------|
| Expenses | 854,100 |
| Sawtooth – Parking Garage | 79,200 |

| | |
|--------------|----------------|
| TOTAL | 933,300 |
|--------------|----------------|

A motion was made by Mr. Raymond and seconded by Mr. Reed to adopt Resolution 2016 - 6 To Adopt the 2016 Downtown Tax Increment Finance District 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.

CONSULTATION WITH LEGAL COUNSEL

None

Mayor Neilsen said a couple of Councilors had asked about suspending the second meetings in July and August. He asked Councilors to think about that.

Mr. Reed asked about not having Consultation with Legal Counsel on the agenda unless needed.

ADJOURNMENT

At 9:13 p.m., a motion was made by Mr. Raymond and seconded by Mr. Simonds to adjourn.

Voice vote: motion carried 9-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council

Ms. Lovett read this statement into the record:

As a result of the reevaluation, the city has lost approximately \$90 million in valuation. This resulted in a sharp increase in the tax rate, and higher taxes for some property owners. Consequently, having no increase on the tax rate for this budget is important to both the City Council and Administration.

This automatically puts us in the position of not having enough money to do all that is necessary to properly maintain city infrastructure. Therefore, it is essential that we prioritize and level fund expenses in those departments that are not a high priority. This is a short term solution while we work to regain City valuation and broaden the tax base.

If public safety is the number one priority of government, then I believe Police, Dispatching, Fire and DPW (streets and roads) are priority one departments. In addition, this Council has cited Planning and Development as a number one priority. Decreasing the DPW (streets and roads) budget by 100k from last year indicates that the Council does not see this as a high priority.

Several departments have proposed budgets less than last year, and they are to be commended given the current situation. With the exception of an additional 30k for the Municipal Complex to address an' ADA compliance issue, Policy (as tentatively approved) and the proposed Community Center budget which needs to resolve maintenance issues, it is my recommendation that we level fund the lower priority departments that have proposed expenses above 2015. By moving money from the Municipal Complex, Sanitation, Library, Cemetery, Airport and Parks to DPW, we can increase the streets and roads budget by nearly 60K and significantly reduce the decrease in their budget from last year.

While I agree that this will not make a huge impact in the current condition of our streets and roads city-wide, it will reallocate funds to a higher priority department, improve public safety and enhance economic development. In DPW's presentation, seven projects were listed at 60k or below. Any one or possibly two of these projects could be completed with this amount. Yes, bonding will have to be done in order to address some of the larger projects, but without a long term commitment to consistently fund the maintenance of streets and roads at appropriate levels bonding is only a short term solution.