

The Claremont City Council held a meeting on Tuesday, May 6, 2014, in the Council Chambers of City Hall.

The meeting was called to order by Mayor Neilsen at 6:00 p.m.

Members of the Council present were:

At-Large Councilor Keith Raymond
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

Absent:

Ward I Councilor Carolyn Towle

Also present were:

Guy Santagate, City Manager
Mary Walter, Finance Director

BUDGET

Mr. Santagate read the following letter:

April 30, 2014

To the Honorable Mayor and City Council:

2014-2015 Fiscal Year Budget

I am pleased to forward to you what is arguably the most important document adopted at the local government level: that of the annual operating budget. This is our first operating budget based on a fiscal year, following conversion from the prior calendar year budget. The period covered in this important document begins July 1, 2014 and ends June 30, 2015.

This administration has made many difficult decisions in preparing this year's budget. There were numerous conflicting alternatives which forced several hard decisions on the administration's part. But we made those decisions. After much consideration, I have

come to the conclusion that the city budget should be level funded for the next fiscal year.

Although the city and school budgets are separate and distinct from one another, the tax increase related to the Stevens High School renovations impacts the same taxpayer. This administration is prepared to do its part to mitigate this year's tax rate impact for Claremont taxpayers. The school's increase will already add an estimated \$1.44 to the tax rate that is attributable solely to the bond. Other increases on the school's part may follow. That is why I believe there should be no property tax increase related to the city portion of the taxes and I am therefore proposing a level funded budget.

Despite level funding this year's budget, I strongly believe that it provides and preserves essential services. The services that are determined to be necessary for the health, safety, and a desired quality of life for the community will be safeguarded. The effective functioning of our city government will be maintained.

In addition to the traditional view that the budget is all about numbers and dollars, this administration views the budget as an extremely important planning document and it treats the budgeting process with that in mind. The administration has given the Council its best thinking. This budget document should serve as a starting point for this year's budgeting process.

Nowhere is the delineation of duties between the administration and the Council more clearly defined. It is the administration's job to propose and the Council's job to dispose. Much authority and responsibility is totally in the hands of the City Council. You, and only you, can approve the expenditure of city funds. (This challenge is heightened by an archaic property tax system, which is the tax of choice in the State of New Hampshire. Consequently, the city is mostly limited to funds generated by this system).

In its final form, which of course is approved and adopted by the City Council, the budget, more than any other document, will identify the city's true priorities. All of the opinions of the administration and Council will have been funneled through this process. What is ultimately adopted as a final product will identify and illuminate that which this Council deems critical and significant to the city. The process of adopting a budget will reveal what you will fund as well as those items you will not fund. It speaks volumes about your priorities. Only you can decide the entire amount of the total budget. You have the authority to add or subtract from any department's budget. You have the authority to subtract from one department and add to another. The reallocation of funds will emphasize the targeted goals of this Council. Finally, the total amount appropriated will be a significant factor in determining the local tax rate.

Make no mistake, level funding our budget and not increasing property taxes also comes at a price. Out of necessity some plans we would like to implement must be postponed. For example, the following may need to be pushed off:

- Leasing of equipment at the Fire Department by one year totaling \$68,000

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- Savings to capital reserve accounts totaling \$287,500
- Additional paving funds in the amount of \$100,000 in the CIP
- Extra funds for needed sidewalk repairs
- The *immediate* plowing and snow removal around the schools and downtown after each storm

Keep in mind that the budget, as submitted, presents major challenges for our city employees. They will be expected to do more with less. However, they have proven in the past that they are up to the task. That is why I want to take this opportunity to thank the staff for their help in crafting this year's document which, although lean, preserves and protects our essential services. As always, the staff has been creative and forward looking, using out-of-the box thinking to create the 2014-2015 budget.

Now I look forward to working with the Council to achieve this ambitious goal.

Respectfully submitted,

Guy A. Santagate

Mr. Santagate showed a PowerPoint presentation: Where Do Your Tax Dollars Go?; Amount of Tax Dollars per Thousand Going Toward Debt Payments; Full Time Positions Still Unfilled from 2002; Level Funding and Its Impact; Allocation of 2014 Municipal Portion of Tax Rate; Fund Balance (\$2,544,000 used for one-time expenses since 2004); Claremont Tax Rate History.

Ms. Lovett pointed out that one of the slides shows Parks & Recreation making up 13% of the budget, and Planning making up only 5% which doesn't reflect economic development as the priority that had been previously discussed.

Ms. Lovett would like to see what was spent in 2012. Council concurred.

Mr. Santagate said Council can move money. He considers the Claremont Savings Bank Community Center programs to be economic development programs. People look at recreation and good health when deciding to move here.

Ms. Lovett said she would like to see city-wide fuel and electricity usage.

Bernie Folta, Ward 3, said by seeing the expenditures of the previous year, you can see what is needed. He suggested attacking waste and inefficiency to free up resources.

Planning & Development

Department Request \$759,315; CM Proposed \$714,069

Nancy Merrill, Planning and Development Director, showed a PowerPoint presentation: Who We Are; Building, Health & Property Maintenance Codes – 2013; Major 2013-14 Projects; New Businesses in Claremont; Grant Administration Summary from CDBG, EPA and ARRA totaling

\$13,603,916; Projects; Annual Employment in Claremont Micropolitan NECTA (119 jobs added in 2010 to 2012 were in manufacturing)

Ms. Lovett said she would like a copy of the slides. She asked what the barriers are that prevent achieving success as far as economic development goes. Ms. Merrill said her department lost two positions in 2010. Code Enforcement is important to economic development. An inspector was added to this budget, but an Administrative position was another position that was lost. Ms. Lovett would like to see that added to the proposed budget.

Mr. Bergeron was in favor of bringing in a code enforcement officer, but doesn't want him tied up with inspections; he should do code enforcement. Mr. Koloski agreed adding a code enforcement officer is needed.

Bernie Folta, Ward 3, said in reference to economic development that when the phones don't get answered and the calls go to voicemail, it may contraindicate the impression Claremont gives. Ms. Merrill said phones are answered unless they are in a meeting or a customer is in front of them.

Shawn Walsh talked about downtown beautification and that snow removal should be looked at as it plays into that.

David Lucier, Ward 1, business owner, said snow removal has improved, but it could be better. He feels it is a major impediment to businesses downtown.

Ms. Lovett wants the part-time position as proposed put added back into the budget. Ms. Walter said a 20-hour position adds \$16,750.

Ms. Messier asked what could be done with \$10,000 for downtown development. She said the city center of Claremont is the heart of our community. Ms. Merrill said it could be used to paint fences, landscaping, weed whacking, etc. Ms. Messier asked for an additional \$10,000 to help move economic development forward in the city center.

Mr. Koloski objected to both. He would rather the money be sent to snow removal and signs depicting where the downtown is when the North and Main Project gets underway. He thinks there are other programs available to get the downtown cleaned up.

Ms. Lovett asked to put a marker on these and revisit them.

Mr. Bergeron agreed with Mr. Koloski.

A motion was made by Ms. Lovett and seconded by Mr. Raymond to tentatively approve the Planning & Development budget of \$731,315 to include an additional part-time position.

Roll Call Vote: Motion carried 8-0.

Streets & Roads (Highways)

Department Request \$2,948,461; CM Proposed \$2,730,299

Bruce Temple, Public Works Director, showed a PowerPoint presentation: 2014/2015 DPW Budgets \$3,132,833; Labor Distribution; FEMA Projects - \$409,728.05; Grants FEMA Rain/Snow Events 7/1/2013-4/30/2014; Train Depot Pleasant Street 1905; Railroad Projects; Grants – State of NH Railroad Improvements; Highway Maintains; 2013 – 2014 Paving; 2014 Chip Sealing (Spring); Knight Street; 2014-2015 Proposed Paving (asked for \$500,000, CM proposed \$400,000): Chase Street, Baker Street, Myrtle Street, Chellis Street, Walnut Street, Maple Avenue, Hillstead Road and West Pleasant Street; Dr. Osmon Way's Funeral 1840 – 1914; Cemetery; 2014/2015 Utility Budgets \$4,150,329; Sugar River Pump Station; Whitewater Reservoir 150 mg; Rice Reservoir 40 mg; Dole Reservoir 50 mg; Municipal Water; Water System; Dole Reservoir Spillway; Municipal Wastewater; Wastewater System; Pump Stations & Tanks.

There was discussion about snow removal. Mr. Temple estimated the cost to bring in an outside fleet of equipment and people would be about \$5,000 to \$6,000 per storm. Now the main function is snow removal from City streets, then City parking lots and then the sidewalks.

There was discussion about streets and sidewalks repairs. Councilors asked what would be needed for sidewalk snow removal around schools and downtown to be a priority. They also wanted to know the cost for the City to do it versus contracting it out.

Bernie Folta, Ward 3, asked what the relationship is between the Cemetery Department and St. Mary's Cemetery. Mr. Temple said the City gets paid to open and close graves in St. Mary's and the Jewish cemeteries.

Steve Raymond, Ward 1, suggested it would be cheaper to pave East Green Mountain Road instead of continuing to grade it.

Shawn Walsh, representative of Claremont Business Alliance, asked if the money were available, would Public Works make sidewalk plowing and repairs a priority. Mr. Temple said with more funds, he could do more.

A motion was made by Mr. Raymond and seconded by Mr. Reed to tentatively approve the Streets & Roads (Highways) budget of \$2,730,299.

Roll Call Vote: Motion carried 8-0.

Sanitation

Department Request \$228,475; CM Proposed \$219,280

Mr. Temple said that recycling is free. The fee for trash is \$3 per bag, which it has been for 15 years or more, and that is not sustainable. The Transfer Station is not self-supporting. They have single stream recycling which is about 45%.

Council asked to put this on the July agenda

Mr. Temple said two people work at the Transfer Station on Tuesday and Saturday; on Wednesday they do citywide trash pick-up; and on Thursday and Friday they work on street signage.

A motion was made by Mr. Raymond and seconded by Mr. Simonds to tentatively approve the Sanitation budget of \$219,280.

Roll Call Vote: Motion carried 8-0.

Cemetery

Department Request \$223,375; CM Proposed \$183,254

Mr. Temple said cemetery fees have not been adjusted in a long time. There was a discussion about the cost of burials: winter vs. summer, weekday vs. weekend. Ms. Lovett requested a cost analysis of winter burials versus the cost of storage vaults.

A motion was made by Ms. Lovett and seconded by Mr. Raymond to tentatively approve the Cemetery budget of \$183,254.

Roll Call Vote: Motion carried 8-0.

Water

Department Request \$1,878,032; CM Proposed \$1,867,917

Ms. Walter said the water/sewer bookkeeper may be retiring this year.

Mr. Santagate said the Water Enterprise Fund is self-sustaining.

There was discussion about the water rates and that they are not doing as well as sanitary sewer. Mr. Temple said with the loss of Wheelabrator, we lost about \$160,000 anticipated revenue. Ms. Walter said we've been taking money out of the savings account to break even with the anticipated expenses.

A motion was made by Mr. Koloski and seconded by Mr. Raymond to tentatively approve the Water budget of \$1,867,917.

Mr. Koloski asked when the contract expires. Mr. Temple said there are two years left on a multi-year contract.

Roll Call Vote: Motion carried 8-0.

Sewer

Department Request \$2,281,591.40; CM Proposed \$2,282,412

A motion was made by Mr. Koloski and seconded by Ms. Lovett to tentatively approve the Sewer budget of \$2,282,412.

Roll Call Vote: Motion carried 8-0.

Elections

Department Request \$15,200; CM Proposed \$15,200

A motion was made by Mr. Koloski and seconded by Mr. Simonds to tentatively approve the Elections budget of \$15,200.

Roll Call Vote: Motion carried 8-0.

Municipal Complex (Maintenance)

Department Request \$370,545; CM Proposed \$339,521

Ms. Walter said this budget includes City Hall, police station and Municipal Court. We have seen a savings of \$35,000 by brokering our electricity cost with the schools, Newport town and Newport school district. PSNH charges 9.97 cents per unit and we pay 8 cents. We have saved \$10,000 in fuel oil since the new boilers were put in. Capital Improvement Plan for the roof and repointing the bricks were not funded this year. The City pays the electric for the Opera House and the Court pays the City a lease payment for its expenses.

There was a discussion about repairs (i.e. painting the woodwork) for the old conference center (church next to the fire station on Broad Street). Today we received an estimate of \$4,400 to repair the slate roof (there is no water damage inside from the missing slate). Mr. Reed said the Historic District Commission is looking for grants for those, and other historical building repairs.

Ms. Lovett asked to increase Expenses for Broad St Church by \$9,700.

Mr. Reed suggested taking a portion of the fees from abutter notices to put into an account to help preserve city-owned buildings in the historic district.

Ms. Walter suggested putting 10% of each sale of city-owned property into a capital reserve account to be used for historic preservation of city-owned buildings. Mayor Neilsen asked for a list of city-owned properties (i.e. church, JSL, GCC, Claremont Historical Society) and what the

plan is for repairs and possible use. Mr. Bergeron said we can't keep all the vacant buildings people want to give to the City.

A motion was made by Ms. Lovett and seconded by Mr. Reed to tentatively approve the Municipal Complex (Maintenance) budget of \$349,221.

Roll Call Vote: Motion carried 6-2 with Messrs. Koloski and Bergeron voting no.

Debt Retirement (Debt Service)

Department Request \$1,127,122; CM Proposed \$1,127,122

Ms. Walter said we paid off Great Lakes Lawsuit, \$155,000 per year; 1998 bond (miscellaneous items) of \$110,000 per year; and supplemental landfill from 2003. Next year the River Road TIFD gets paid off; in four more years we'll pay off the 2002 \$1 million (our portion) Washington Street bond at \$80,000 per year; seven more years we'll pay off the \$3 million road bond from 2005 at \$240,000 per year; seven more years we'll pay off the refunded bond at \$105,000 per year; and nine more years we'll pay off the landfill at \$240,000 per year.

A motion was made by Mr. Raymond and seconded by Ms. Lovett to tentatively approve the Debt Retirement (Debt Service) budget of \$1,127,122.

Roll Call Vote: Motion carried 8-0.

CONSULTATION WITH LEGAL COUNSEL

None

ADJOURNMENT

At 10:47 p.m., a motion was made by Mr. Reed and seconded by Mr. Raymond to adjourn.

Voice vote: motion carried 8-0.

Respectfully Submitted,

Dorée M. Russell
Clerk to the Council