

The Claremont City Council held a meeting on Wednesday, May 4, 2016, in the Council Chambers of City Hall.

The meeting was called to order by Mayor Lovett at 6:30 p.m.

Members of the Council present were:

Ward I Councilor Carolyn Towle  
Ward II Councilor Scott Pope  
At-Large Councilor Keith Raymond  
Assistant Mayor Victor Bergeron  
Mayor Charlene Lovett  
At-Large Councilor Allen Damren  
At-Large Councilor Bruce Temple  
Ward III Councilor Nicholas Koloski  
At-Large Councilor John Simonds

Also present were:

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

### **AGENDA (CHANGES)**

None

### **CITIZEN'S FORUM**

Bernie Folta, Ward 3, talked about the budget, policy and politics.

### **BUDGET**

Mayor Lovett read a note that she had sent to the Council regarding its goals and objectives. She talked about not recommending any department budgets until all have been presented. Councilors agreed.

Mr. Santagate read the letter he submitted with the budget. He said in his 15 years with the City there has never been a deficit. He said he appreciates the hard work the department heads have done. He commended Finance Director Mary Walter and Treasurer Lisa Richmond for their work on the budget.

Mr. Bergeron disagreed about not putting money in the budget for roads (\$750,000 remaining from the bond will be used for roads, but no money was put into the Public Works budget for

roadwork). Mr. Bergeron said if there is no money put into the budget for roads, he will vote no on the budget.

Mr. Santagate said budget cuts will be covered in depth. Public Works took the brunt of the cuts. Planning and Development had cuts. We won't have funding from the River Road TIFD (Tax Increment Finance District) this year as it expires. Parks also had cuts. Of every dollar the City spends, 72 cents goes to Public Works, Police and Fire.

Mr. Koloski said he wasn't really in favor of restoring the \$500,000 last year for roads. What was decided in the past doesn't bind this Council. He said in this budget \$13,000 has been removed from Parks which means there will be no fireworks. He encouraged people to come forward about that. Ms. Walter clarified that there will be fireworks this year, but they will be gone next year.

Mary Walter, Finance Director, explained when Council approves the budget it is approving the bottom line. This budget will have 53 pay weeks; Health Insurance had a 17% increase; this will affect the Pay lines.

#### Police

Department Request \$2,755,739 City Manager Proposed \$2,749,484

Police Chief Alex Scott said his request was similar to the City Manager's proposal. Police staffing is at 25. This is the last year for the COPS grant. He said they are down three positions due to people moving to other agencies and he anticipates two retirements in early 2017. There are 25 sworn officers, 4 part-time sworn positions and 3 regular part-time employees. One position is funded 25% through the COPS grant. The position will be paid 100% by the City next year. For the fourth year of the COPS grant position, you have to maintain that staffing level.

Mayor Lovett asked Ms. Walter for the amounts that were approved and the actual amounts spent for the budgets.

#### Communications 911

Department Request \$494,464 City Manager Proposed \$492,710

Chief Scott said there were no major differences between his request and the City Manager's proposal. The two radio consoles in Dispatch are beyond their useful lives. They will cost \$30,000-\$40,000 apiece to replace. The recently completed upgrade is working very well. There are no grants available for this. Radio grant money is going away. Each radio costs \$3,500 apiece. Some radios are reaching the end of their life cycle.

Mr. Damren confirmed that the drivers in the budget are the union contracts and health insurance.

Ms. Walter said there is no money for raises in this budget, except some step increases. The Fire union contract ends March 31<sup>st</sup> and the others end December 31<sup>st</sup>. Mr. Temple said that means that sometime this year Staff will come forward with supplemental appropriations for union contract increases and merit increases.

Municipal Complex (Maintenance)

Department Request \$432,115 City Manager Proposed \$427,615

Ms. Walter said this is for the maintenance of City Hall, the Police Department and the Court, and there are 1 full-time person and 2 part-time people. We have to do capital improvements for ADA (Americans with Disabilities Act) access to the bathrooms, move the Opera House box office to the front of the Assessing office and build two public bathrooms in the downstairs atrium area. The money will come from Fund Balance. \$40,000 for the Police Department air handling equipment will come from Fund Balance.

Mr. Santagate said in the past we have applied for LCHIP (Land and Community Heritage Investment Program) grants, but without success. We have to have an assessment of various needs for City Hall overall and we hope to get that funded through a new application for LCHIP funds. Ms. Walter said the roof needs to be fixed, some bricks need to be repointed, and some historic windows need to be replaced. It will cost over \$50,000 to have the assessment. We will apply for the program. There is a 50/50 match.

There was a brief discussion about repairs that are needed and putting out a Request for Proposal (RFP) for the City-owned church on Broad Street. Ms. Taylor said before an RFP can go out, she will have the review the deed restrictions to see what can be done with the property.

General Services

Department Request \$1,074,339 City Manager Proposed \$995,339

Ms. Walter said this is for services that are shared among multiple departments. She said the War Service Credits and Overlay are always budgeted, but not spent. She said it is hard to predict Legal expenses; we are still working on FairPoint litigation. Ms. Taylor said if the money is not spent for this year's budget, it will be a part of the encumbrances.

Mr. Santagate said the good news is that there are no major lawsuits pending against the City because of the good work done by Ms. Taylor.

Mr. Koloski was concerned about the difference in Legal between Ms. Taylor's request and the City Manager's proposed. Ms. Taylor said regarding settlement issues, they didn't occur, so the money will be encumbered for next year. Mr. Koloski would to see the City pursue the right-of-way issues regarding the parking lot across the way.

Mr. Bergeron asked about GASB Liabilities. Ms. Walter said GASB pension liabilities are a huge issue. The City now has to carry that on the books. It is pay-as-you go. We now have over \$700,000 in the GASB Liability account to pay toward that unfunded liability. We try to add to it every year. We are way ahead of the curve.

Mr. Damren asked for a summary, at some point during the budget discussion, of the total amount the City spends on legal services.

Mayor Lovett asked if there is a way to pull together common expenses shared across departments. She referenced the school's district-wide expenses.

Ms. Walter said the school department system is set up differently than the City. The Department of Revenue dictates the City's codes. She can run a report for things like electricity. Council will let her know if they want any reports run.

#### Debt Retirement (Debt Service)

Department Request \$1,230,519 City Manager Proposed \$1,230,519

Ms. Walter explained the bonds. She said the City uses bonds for long term items. The Washington Street bond will be paid off in 2017 (almost \$80,000 per year). The next bond to be paid off after that will be in 2021.

Mr. Damren asked about the LED Lighting Project. Ms. Walter said the Public Works budget has a \$100,000 line item for LED Lighting which will come out of Fund Balance, if there are no grants.

There was a discussion of the City's bond capacity. Based on the City's assessed value, we are allowed to bond \$24 million and we are at \$12 million which is 50% of capacity.

Mr. Pope said he is not in favor of bonding and is glad these bonds are being paid off.

#### City Administration (Finance)

Department Request \$994,185 City Manager Proposed \$989,985

Ms. Walter said there are nine people in City Administration which is made up of Finance, Treasurer, Audit, Human Resources, Information Technology, City Clerk/Tax Collector. This budget brings in over 200% offsetting revenue of what it takes to run this department. There are no part-time people, but temporary seasonal people are used when more help is needed. When Barbara Dubaniewicz retired, her position was not filled; she comes in to help when needed.

Mr. Bergeron said the biggest complaint he hears regarding the City Clerk's office is that they are closed at a key time of day. Ms. Walter said that is due to staffing. There is not enough staff to break up the lunch times. It is not safe to leave only one person in there.

Mr. Santagate said that area had some personnel cuts which were never restored.

### Elections

Department Request \$15,650 City Manager Proposed \$15,650

Ms. Walter said it costs \$4,500-\$6,000 per election. This is presidential election year, so there will be a state primary and presidential election.

Mayor Lovett said that as long as the process has begun, the Charter amendment can be included in the general election. Ms. Walter said if a special election is needed, it will cost an additional \$6,000.

Ms. Taylor said according to NHMA (NH Municipal Association) a special election could be held at the same time as the general election and that would save costs.

Mr. Koloski asked about putting out a sign to remind people to vote. Ms. Walter said the City Communication line could be used for that.

Mr. Bergeron asked about replacing the voting machines. Ms. Walter said City Clerk Gwen Melcher feels good about the machines for now, but we need to start thinking about that.

### Revenue

Department Request \$1,273,565 City Manager Proposed \$1,647,065

Ms. Walter explained each line item. Shared Revenues used to be \$500,000, but now it's zero. She explained she would like to use the CCTV Communication reserve to purchase replacement accounting software for the City as the one purchased in 1999 is no longer supported.

Ms. Walter said money to be taken from the Fund Reserve is for Washington and Bowen Streets \$30,000; Main Street drainage \$500,000; LED Light Upgrade \$100,000; Air Quality Issues for Police Department and Court \$46,000; 53<sup>rd</sup> week of payroll \$144,000; TIFD River Road Shortage \$330,500; and \$315,000 Used to Reduce Tax Rate for a total of about \$1.5 million. She said Fund Balance is \$2.7 million; we're taking \$1.5 million and about \$500,000 will drop into Fund Balance on June 30<sup>th</sup>.

Mayor Lovett said technically Council has 60 days to approve the budget after the start of the fiscal year. Ms. Walter said that is in the Charter. Mayor Lovett said Council doesn't have the final figures when budget discussions start. She asked about what can be done with the revenue that comes in that was not included in the budget. Mr. Damren explained that the figures in the budget book are what have been received as of the end of April. The revenue received from then until the end of June makes up what is budgeted for the current year and is put into this year's budget, so the books don't run in the red.

Ms. Walter said after the tax rate is set, Council can decide what it wants to do with unanticipated revenues.

There was a discussion about the TIF Districts and that with the closing of the River Road TIFD, there will be a net of about \$300,000. Mr. Santagate said that there will be \$11 million in new assessments which is around \$440,000 in tax revenue, but the school gets a portion of that and the City gets about \$200,000. Ms. Walter said \$330,000 each year will come out of Fund Balance to pay for the Downtown TIFD. It will slowly decrease as we pay down the bond. It will also decrease as properties increase in value. Mr. Santagate said we will pay that unless the Peterson building is filled.

Mayor Lovett asked for a list of what is being taken out of Fund Balance; what is our valuation as a city; how much was brought onto the tax rolls from the River Road TIFD; and also add Jewel Trucking and North Country Smokehouse. Ms. Walter said this tax rate is based on adding that \$11 million from the TIFD. She can give an idea based on what the Planning and Development Office is seeing based on the building permits that have been issued to have an idea of what the value will be.

#### **CONSULTATION WITH LEGAL COUNSEL**

None

#### **ADJOURNMENT**

**At 9:26 p.m., a motion was made by Mr. Temple and seconded by Mr. Damren to adjourn.**

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

Respectfully Submitted,

Dorée M. Russell  
Clerk to the Council