

**CITY COUNCIL MEETING
DECEMBER 5, 2011**

Call to Order

Mayor Merrifield call the meeting to order at 7:00 p.m. in the Council Chambers, Franklin City Hall. Councilor Boyd led in the Salute to the Flag.

In Attendance

Councilor Andreozi, Councilor Sharon, Councilor Bowers, Councilor Audet, Councilor Feener, Councilor Trudel, Councilor Starkweather, Councilor Boyd, Councilor Clarenbach, Mayor Merrifield and City Manager Dragon.

Public Hearing

Ordinance #08-12 – this ordinance concerns an increase in the water commodity charge per 100 cubic feet from \$4.51 to \$4.66. Mayor Merrifield requested Director Sullivan give some background information for the general public. Director Sullivan (that information is attached to these minutes). The project calls for the replacement of the Cross Street Water Tank which is located on Willow Hill and built in 1964 and is need of repair or replacement. Director Sullivan then read the attached information. In summary, Director Sullivan stated the condition of the water system is such that with the cost to do business today and the age of the system and the numerous capital projects ahead, it was the feeling of the MSD Committee at the time that they would go with Option 1.

Councilor Bowers commented that part of the decision to go with the rate increase and save the capital was for a future project as two tanks located in West Franklin will need to be replaced within the next few years. By increasing the water rate now it would give the City an opportunity to put some the monies in the reserve until the bond goes through, as the process can take 1 ½ to 2 years, those funds would continue to go into the reserve and give the City enough cash to pay for both of the tanks in West Franklin without borrowing any further money.

Mayor Merrifield asked if there is anyone from the Council that wishes to speak on Ordinance #08-12.

Councilor Elect Desrochers addressed the issues of a rate increase in the water stating he has received numerous phone calls concerning this rate increase. Most after an explanation understood about the need for the water tank, however, no one accepts the proposed rate increase. He further commented he feels the City needs to find ways to do things without raising rates each time. He stated people just can't afford an increase, when you add this proposed increase to all the other increases such as fuel, gasoline, food, etc. people just can afford anymore. If the City keeps raising rates people won't move here.

Mr. Charles Farmer, resident and landlord spoke against the water rate increase stating he had one bill for one building in the amount of \$909.00 for three months. He further stated he recalls coming to a Council meeting a while back when a rate increase was approved to restore the water tanks. Now here is another rate increase being considered and the tanks haven't been fixed yet. He stated he did a survey and learned that Bristol water rates are low than Franklin, Concord is lower at \$2.21 per 100 cubic feet. Manchester is lower at \$1.30; Littleton is \$2.40 and are about the same size as Franklin. You can't attract businesses if you have high water rates.

Mr. Larry Hennessey, resident commented he has progressively seen the water rate increase in Franklin over the last 15 years and he stated what he does not understand with the Water Department, is if there is a leak, they just fix the leak. They will dig up the pipe and have 15 feet of rotten pipe to put a fitting, a piece of copper piping in and basically that is where all the money is going. The reason some towns and cities have cheaper water is because the maintenance is not as high. He stated the City is going around putting band-aids and fixing leaks. Why don't we come to a consensus and do things right. He stated he is opposed to the rate increase but he stated he understands that in order to get something you have to give something.

Mrs. Cady, resident spoke against the rate increase.

No one else came forth to speak; Mayor Merrifield closed the public hearing.

MetroCast Cable Franchise – this hearing is part of the cable franchise renewal proceedings between the City of Franklin and MetroCast. This public hearing will help to ascertain the future cable related needs and interests of the community.

Mayor Merrifield read the following: We welcome members of the public and representatives of Metro-Cast and the City of Franklin here today. The purpose of this hearing is to gather information for the negotiations that the City will soon engage in with Metro-Cast for a renewal of the cable franchise in Franklin. The focus of this hearing is the future cable related needs and interest of Franklin, its administration, public libraries, public schools , peg access, police and fire departments as well as the future cable related needs and interests of the business community, other elements of the community and Franklin residents. We hope these hearings will create a comprehensive record of our vision as a community to support the negotiations with MetroCast.

Manager Dragon stated in preparation for this hearing letters were sent out to the various organizations throughout the City, the school, health organizations and all the different departments because we are seeking as much input as possible over the next 30 days. This hearing process if you should decide not to speak tonight and you want to offer your comments in the next week or so, the hearing will remain open for 30 days and you can provide your comments/suggestions to the City Manager's Office. In the letters that went to the various organization specific questions were asked and one of the questions for the City itself is whether or not it was thought job performance of government staff or community social organizations would be enhanced by the ability to provide information to subscribers of cable. She stated she feels the answer to that is absolutely yes. The more information that can be shared with the public,

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the better informed they are about projects being done by the City whether it is a water tank or the downtown project that has been funded entirely by a grant, those are the types of things that if there was a ability to share them with the public questions can be answered that they might have. We would also be able to engage people who may not have the time to come to a meeting. Concerning economic development it would be helpful to be able to give advertisements in other communities. She stated one of the things they have been working towards is improving the City's website. As part of that process we are looking at in the future of possibly adding the option of live broadcasting on the website and archiving the video meetings. One of the issues that occurred with the Lakes Region Channel was often times the Franklin meetings would play at various times and no one knew when that would be. There was no guide and no way to know in advance. She stated there are ways to improve that; perhaps the Lakes Region Channel might be able to get more channels and everyone could possibly have their own time slots. If Franklin were to undertake this entirely; it could be done live or archiving on the website. She commented it would be helpful to have some grant monies in the cable agreement to help get public information out to the public. It has been asked if the City has a Technology plan in place, there is not a formal plan in place, however, there is a plan and every year it is updated with the contract service. She stated it is being looked at whether connecting all the buildings with fiber would make sense and having one network which would require less equipment and would be more efficient but does require a significant investment up front. It has also been asked if the City has looked at using high cable systems or high speed internet for training purposes and that does take place and is happening more and more. Paying bills has just been initiated at City Hall, registrations and dog licensing is now on line. Manager Dragon stated finding more ways to engage is the public is very important. Department heads will have the opportunity to offer their input during the 30 days comments will be received. Manager Dragon also advised she has received several letters.

Mayor Merrifield inquired if any of the Department Heads would care to comment at this time. No one spoke. He then asked if anyone from the School

District would care to comment. Mr. Mike O'Neill, Business Administrator for the School District and he stated the School District has a lot of the same issues the City does. He advised they applied for a Library Grant last year but did not get which would have provided a lot of the up-front technology costs that are needed. He stated it would be nice to offer lectures and different things and be able to record them and store them. He stated they are going more towards a website approach where we can put things on the website, however, unfortunately the upfront costs to be able to record the meetings to put them on the cable system at this point is not where the priority is. Mr. O'Neill advised at this point the cable system serves no benefit for the School District and there are no plans to make the investment that would be required.

Mayor Merrifield asked if there is anyone from any of the Healthcare organizations that wishes to speak or business or Chamber of Commerce. No one came forth to speak.

Mr. Al Warner, advised that he is speaking on behalf of the Middle (Franklin Opera House), and he thanked Metro-Cast or their partnership with the Middle in the past year and have been a valuable community partner. Mr. Warner stated he looks forward to seeing MetroCast work with the City in the future. Mayor Merrifield asked if there was anyone else from Arts/Culture that would like to speak. No one else came forth to speak.

Mayor Merrifield then opened the public hearing to the general public. Mr. Bob Lucas and commented that he feels putting meetings on the website is an awesome idea. It is moving into the cyber age. He further commented that reaches a limited audience as there are people all over the country that don't use the computer. If it would be possible to also have a robust system on public access channels that would offer another avenue for people to listen to the public meetings. There are many, many reasons people are not able to attend meetings and if the accessibility to meetings could be broadened out the access, it will serve the community in a good way. Mr. Lucas also stated he is a member of Choose Franklin and they have sent a letter in support of public access channels.

He also stated it would be a good thing for the health of the older citizens who are not able to get out and attend meetings, they would feel less isolated.

Councilor Elect Dzujna commented that there is no paper in Franklin and people need to know what is going on. The better the City can communicate with everyone, the better off the City will be.

Resident Leigh Webb of Ward III commented that when the City was a member of the Lakes Region Public Access Program there was a time slot for the City so people would know when the Council meeting would be run. He commented that he feels this is an important step in the negotiations with MetroCast to make sure that the City does open up public access to the Franklin Citizens. Primary sources of information are most important; these sources would be live feeds or archived information where people get their information direct not filtered through reporters. There are related costs such as equipment for live feeds and personnel to run the equipment unless volunteers are used.

Mayor Merrifield thanked everyone for all the comments and thoughtful input which will provide the City of Franklin with information for moving forward in its negotiations with MetroCast. The record will remain open as stated by the City Manager for 30 days from this City Council Meeting (December 5, 2011). Anyone who spoke tonight can also add additional comments. Mayor Merrifield then closed the ascertainment hearing.

Mayor Merrifield announced that the public hearing scheduled for this evening concerning a proposed Economic Development Application/New Hampshire Community Development Block Grant on behalf of Big Cat Coffees is to be rescheduled. Mayor Merrifield also advised that a date for a special City Council Meeting needs to be scheduled and the public hearing will be rescheduled for that date. Manager Dragon suggested the date of Monday, December 19th.

Motion made by Councilor Bowers that the Franklin City Council schedule a special City Council Meeting for Monday, December 19, 2011 at 7:00 p.m. in the Council Chambers, Franklin City Hall. Motion seconded by Councilor Feener.

Councilor Andreozzi commented that December 19th is also the night of a school board meeting. She stated it would be a curtsey not to set a special meeting when the school is having a meeting. Councilor Bowers verified with the City Manager there would be no school business on the council meeting agenda.

6 Yes votes, 2 no votes. Motion passes.

Motion made by Councilor Bowers that the public hearing concerning the Proposed Economic Development Application/NH Community Development Block Grant on behalf of Big Cat Coffees be rescheduled for Monday, December 19, 2011 at 7:05 pm in the Council Chambers, Franklin City Hall. Motion seconded by Councilor Sharon. All in favor, public hearing rescheduled.

Comments from the Public

Ms. Liz Sweeney, Capital Regional Development Council stated she is the reason for the December 19th meeting and advised they are an organization that provides services in Merrimack County related to lending to small businesses. She advised the 19th is a required public hearing meeting in order for an application to be able to be made for funding in order to make a loan to a business. This business is going to expand and will create jobs in Franklin and will require some funding to do so.

Councilor Elect Dzujna addressed the public stating he wished to offer his sincere thank you to Councilor Andreozzi, Councilor Bowers and Councilor Audet for their years of service to the City as Councilors. He stated he hoped they will continue to stay involved with the City and the community because their wealth of knowledge is very much appreciated.

Choose Franklin

Councilor Elect Dzujna advised Choose Franklin meets the first Thursday of every month at 8 am. He stated at the October meeting they had the United Way Program, in November it was Casey Family Services and in December the Franklin Outing Club. First Day is coming up and will be 10 am to 2 pm. With the help of many donations, the kissing balls are up.

Legislative Comments

Mayor Merrifield introduced Senator Matt Hood and stated he invited him to come and speak because there is legislation in his committee that is going to be considered later this week and Mayor Merrifield stated he believes that it impacts the Northern Pass Project.

Senator Hood stated he first wants to talk about where the Judiciary Committee is procedurally and the bill the Mayor is referencing is No. 648 which would preclude public utilities from engaging in transmission lines unless it is for system reliability. Earlier this year that bill passed over whelming in the House and came over to the Senate and a hearing was held on the bill and it was discussed in the Judiciary Committee and decided more questions needed to be answered before the committee could pass on the bill. It was a close vote in the Senate, 14 to 10 to refer (send back to the committee for more study). He advised they will have to report, make a recommendation to the full Senate before the session starts and the full Senate will need to vote on this bill by the 4th session day (the end of January or beginning of February the Senate will act on the bill). An Executive Session has been organized for December 8th at which point a number of re-referrals will be taken up including Bill No. 648 and any amendments thereto and he stated he anticipates there will be a number of amendments to talk about at that time. He stated that is where it stands procedurally but that he would add as members of the Council may know, there is a line of bills waiting already in the House depending on what the Senate action is. So if the Senate action is to say

we don't like 648, we are going to do something different with it, then there will be other bills just like following from the House. Senator Hood stated he cannot say exactly what the amendments will be to 648 but his sense is it would be along these lines: 1. Preclude which is called participant funded projects from exercising eminent domain and participant funded projects are those that are privately funded. 2. Penalize the threat of the use of eminent domain prior to a determination that is available for use. 3. And, whatever else might develop. Senator Hood advised on December 8th there are a couple of options, one is to recommend that 648 should pass as it came over from the House, another would be to pass as amended with any number of the amendments that would be voted on or determine that it is inexpedient to legislate which would kill the bill. Senator Hood commented there could be the possibility that it is not voted on, that a recommendation is not made on December 8th but he stated he suspects that will not be the case.

Councilor Bowers asked Senator Hood if he has any sense as to where the Committee is going with Bill 648. Senator Hood responded that he does not. He commented there was an article in the Concord Monitor that expressed some of the opinions of the members and there seems to be a consensus out there that 12A, the constitutional amendment that was passed in 2006 which prohibits the use of eminent domain for private development which was passed in response to the United States Supreme Court Kelo decision in Connecticut. He stated he thinks there is agreement that 12A speaks to private development, the question then that could arise is well then why is that not enough and people that are opposed to the Northern Pass Project would say by the time a determination is made as to whether or not 12A precludes it, you have substantial property value loss in the interim with the threat of eminent domain. He stated he would imagine 3 or more amendments will come in sponsored by members of the Committee.

Mayor Merrifield commented system reliability is part of 648 and some of these questions that the Legislation attempts to address, are they not already addressed in the PUC issuance of eminent domain authority. Senator Hood

responded that he thinks the issue of system reliability was suggested as an alternate way of making a determination whether eminent domain should be used suggesting that the existing statutory framework was not adequate to address this type of situation so that what's for the public benefit is the language that is used in the current statute. He stated the hope for the advocates of 648 was to provide some clarity. Mayor Merrifield commented he is trying to understand the necessity of this statute when in fact eminent domain authority is granted by PUC and they look at a number of these factors that the legislation attempts to address. Senator Hood commented notwithstanding that 12A speaks to private development; there are those that are concerned that the existing statutory framework is not adequate to provide safeguards to property rights interests. Senator Hood stated he also understands the point being made that if you think 12A is adequate, why do more and that is a reasonable question but there are those that feel it does not provide enough clarity for those that would be subject to the exercise of eminent domain. Mayor Merrifield stated that those supporting 648 and/or amendments to 648 are those that would attempt to stop the Northern Pass Project. The public may attend the December 8th Executive Session at 1 pm but will not be able to speak.

City Council Acknowledgements

Councilor Andreozzi thanked all the members of the staff that managed to get the arrows out there on Memorial Street and the parking lot and she stated she is still looking for a sign that says exit to Central. She thanked the Firefighters Association for their work every year in putting up the Christmas lights. She also thanked all the staff for all their assistance to her during her terms on the council.

Mayor's Update

Mayor Merrifield reminded the Councilors to let him know if you have an interest in serving on a particular committee and he invited the Council's recommendations for Citizen of the Year.

Approval of Minutes

Motion made by Councilor Feener that the Franklin City Council approve the minutes of the November 7, 2011 City Council Meeting, motion seconded by Councilor Bowers. All in favor; minutes approved.

Scheduling of January, 2012 Meeting

Motion made by Councilor Feener that the Franklin City Council schedules the January, 2012 City Council/Inaugural Meeting for Tuesday, January 3, 2012 at 7:00 p.m. in the Council Chambers, Franklin City Hall. Motion seconded by Councilor Bowers. 8 yes votes, 1 no vote. Motion passes.

School Board Report

Mr. Keith Lohmann addressed the Mayor and Council advising the School District is in the process of negotiating two separate collective bargaining contracts and one transportation contract. At the current time that is keeping everyone busy. It has been requested that the Joint Finance Committee Meeting be rescheduled and discussions will continue the Rowell School closing among other issues. He stated there are some points in the City Manager's report that bare further discussion. He also stated he is aware of some conversations that were going to take place today between the School's Business Administrator and the City Manager concerning Rowell School. He suggested that anyone interested in concert dates or sports dates to check with the SAU Website. December 15th will be the High School's Winter Concert at 6:30 pm and the Grade 5 through Grade 8 Winter Concert will be on December 21st at 6:30 p.m. He wished everyone Happy Holidays and stated he looks forward to working with everyone in the upcoming year. Mayor Merrifield commented that there is also a Vision Statement meeting on December 7th at 6:30 p.m. at the high school library.

Ordinance #08-12 – this ordinance increases the water commodity charge per 100 cubic feet from \$4.51 to \$4.66, effective October 1, 2011.

Motion made by Councilor Bowers that the Franklin City Council adopts Ordinance #08-12 by a roll call vote. Motion seconded by Councilor Sharon.

Councilor Feener commented that one of the options in the packet is to use the Working Capital (\$400,000) and if used he asked what does that leave in that account and Director Milner advised \$600,000. Councilor Bowers asked if that would be enough to replace both tanks in West Franklin and how much would it be to do the two tanks in West Franklin. Director Sullivan responded probably \$500,000 per tank if you go with concrete as steel tanks are even more. Councilor Bowers commented so bonding would be necessary and Director Sullivan stated yes unless in the future other grants become available. He stated actually the tanks are only one project of many that need to be undertaken.

Councilor Bowers stated he wants to correct something that was stated earlier that Franklin has the highest water rates in the State which is not correct. Director Sullivan stated Franklin is above the half, Barnstead being one of the most expensive. The larger cities, Nashua, Merrimack with a large customer base are much lower. Franklin is not the highest but above the middle of the road. Councilor Bowers commented the water rates have not been raised since 2007. Councilor Bowers commented there are some concerns with this high of an increase.

Councilor Bowers offered an amendment to the motion that the increase be reduced to .07 cents instead of .15 cents. Amendment seconded by Councilor Sharon for discussion.

Councilor Bowers commented that reducing the increase is helpful to water user but still a rate increase is needed. He stated the City has to do something to try and plan for the future and to pass up a 40% matching funds at the cost of completely depleting the working capital is not a good thing. Mayor Merrifield clarified, we are talking about funding future projects with the .15 cent rate increase, and we don't believe that there will be matching funds in the future. Councilor Bowers stated that is correct. Councilor Clarenbach stated he is not in

favor of any increase in the water rate. He stated he feels the City is spending 1.8 million dollars on a project for one tank where it could have been done for 3 tanks. There is an expiring bond that is giving this money and we are not realigning what the projects should be. There are a lot of needed projects. This should be deferred. He stated he does not like spending 1.8 million dollars on something is not a high priority. There is a small customer space and we would be taking a tank making it four times larger than what is used on a daily basis at a 1 ¾ miles of pipe in the middle of nowhere. Councilor Boyd commented he agrees with Councilor Clarenbach and stated he is sure the Council can remember when a pretty significant rate increase was done.

Councilor Feener commented that there has not been a rate increase in the water rates in quite awhile, however, there has been a recent significant increase in the sewer rate which has created a burden on the sewer customers. He stated right now is not a good time, even through the project is important; this is not the time for a rate increase. Councilor Starkweather commented he is on the MSD Committee and voted in favor of the rate increase at that time but since then he has heard from many Franklin residents that are not in favor of a rate increase at this time. He stated he does not like putting off projects until the cost triples, however, along with the water bill comes the sewer bill and people have expressed their concerns about another rate increase. He stated in that respect, his vote will be no. Councilor Andreozzi commented what we are voting on is a rate increase for a project that the bare majority of the Council has already approved so it is not being discussed as to whether this project is going to go through or not. She stated she voted against it. She stated for more than a decade the past water customers had no rate increase, the water fund was depleted and there was no maintenance done on the system. About 5 years ago a significant increase was approved for the present water customers, it was not the customers that had used the water and depleted the fund but the present customers had to pay to make up for the past. There have been other increases since that time but not as significant. Councilor Audet stated no one has mentioned that there were no increases for 21 years.

Councilor Feener called the question on the amendment, seconded by Councilor Bowers. All in favor of calling the question on the amendment.

Vote on the amendment to increase the water rate .07 cents instead of .15 cents. 2 Yes votes and 7 No votes, amendment fails.

Roll Call vote on Ordinance #08-12 to increase the water rate from \$4.51 to \$4.66 (an increase of .15 cents).

***Councilor Clarenbach – No
Councilor Starkweather – No
Councilor Sharon – No
Councilor Bowers – Yes
Councilor Audet – Yes***

***Councilor Boyd – No
Councilor Feener – No
Councilor Trudel – No
Councilor Andreozzi – No***

Ordinance #08-12 does not pass: 7 No votes and 2 Yes votes.

Resolution #05-12 - a supplemental appropriation concerning the Mayor's Drug & Alcohol Abuse Task Force Grant which is appropriated each Federal Fiscal Year for the Task Force.

Motion made by Councilor Feener that the Franklin City Council set a public hearing for Tuesday, January 3, 2012 at 7:06 p.m. in the Council Chambers, Franklin City Hall regarding the adoption of Resolution #05-12 revising FY12 appropriations and matching revenue for the Drug Free Communities Grant. Motion seconded by Councilor Bowers. All in favor, motion passes.

Motion made by Councilor Feener that Resolution #05-12 be read in title only, seconded by Councilor Bowers. All in favor, motion to read in title only passes.

Mayor Merrifield read into the record Resolution #05-12.

Other Business

Committee Reports – None

City Manager's Update

Manager Dragon advised the City has received the following in the contingent grant line this month:

Lion's Club for Santa Letters - \$200 Hiller Orthodontics for Basketball \$150
CCNTR for security cameras and Odell Park Sign \$1,800

The Mayor's Revenue Commission met on November 17th and Russ Thibeault from Applied Economic Resources was the guest speaker.

The City received a check from NRRRA-Electronics rebate in the amount of \$3,242.90. Manager Dragon advised that the new traffic signal has been installed for the Downtown Project but is not in operation yet. Overnight parking spaces are being finalized for the municipal lot.

The Rural Development Bond Closing now appears that it will not take place until the 2nd week of January, 2012. She stated the City needs to formally accept the audit report and that will be on the December 19 agenda as that is one of the items that is required for bond closing.

Manager Dragon recalled concerning the Bessie Rowell School there were conversations at both the Joint Finance Committee meeting and at City Council meetings concerning the \$16,000 that was budgeted for the closing of the Bessie Rowell School. Since the school has been turned over to the City and is currently in transition, it had been requested that the funds be used by the City for the transitional costs such as heating, lights, etc. At the time of writing the City Manager's Update, the understanding was that the City would in fact be able to use the balance of those funds which at the time was \$8,076.18. Since then there has been some more utility bills that have been paid in an amount just over \$1,000 so it was anticipated the City would receive the balance of those funds.

Manager Dragon stated a more comprehensive plan is being closely worked on with all the organizations involved and that plan will be presented to the City Council at the December 19th meeting. She stated the issue of transitional costs needs to be resolved which is now approximately \$7,000. Manager Dragon advised she had a brief conversation late today with Business Administrator O'Neill and the school is willing to assist the City with the winterization of the building only. Originally the plan was not to winterize the building, there are pros and cons with that.

Manager Dragon stated that if the plan to be submitted at the December 19th meeting is approved, in January requests for proposals would go out for the CDBG work that has been approved. February construction would take place and March and April would be moving time. Tiny Twisters has to be out of their current location by June, 2012.

Councilor Audet asked if he is wrong in the fact that the City pushed for the school to turn Bessie Rowell over to the City on October 1, 2011. He commented it was turned over by that date and now all of a sudden we are asking them for money when you already had the building. At no time was there ever anything brought up that the school would have to pay more money. He further stated when a building is turned over to the City the City assumes everything with it. Councilor Feener commented the other impression that the City had was the school had budgeted \$15,000 for closing the school and winterizing it. Councilor Feener further stated they used some of the funds for moving things out of the school that they had not planned for. Councilor Bowers commented that basically the building has been stripped and we could go through the building and tally up everything that was taken out of there that wasn't supposed to be taken out of the building and it would probably come up to more than \$8,000. He further commented the City took the building in October; the City took it in good faith that everything was going to be there that was supposed to be there but instead it was stripped. Manager Dragon advised she would be happy to sit down and have a conversation concerning the benefits of winterizing versus paying reduced utility bills over the estimated time line that is left in transition. This conversation

was held at a recent Joint Finance Committee Meeting and she stated she was under the impression that we were able to use these funds and later on it was voted on that there were limitations on those funds. Manager Dragon stated all she is trying to do is access the monies that were put in the budget for the Bessie Rowell School now that the Bessie Rowel School is under the care of the City of Franklin.

Councilor Sharon asked if anyone has an amount that it will cost to winterize the building and does anyone know what that entails. Manager Dragon stated she had hoped to have a sit down conversation with the school as they seem to have a feeling for what it would cost and they feel for them it would be more economical to pay for winterizing versus the utility bills over the transition time. She commented Brian Barry would be a part of these conversations as currently he is doing his own research and she also stated she feels it is the City's decision to make.

Councilor Clarenbach commented this discussion took place during budget time, and he stated he actually asked Mr. O'Neill point blank where is the \$15,000. There was discussion at the budget session if you shut off the heat the roof will have to be raked during snow storms. The smoke detectors and fire alarms cannot work with heat in the building so there would be no fire protection if you shut off all the heat. Councilor Clarenbach stated it was made very clear to him that the \$15,000 was to close the building and if it was decided not to close the building then the \$8,000 balance would come to the City to help pay for the heating costs. He stated he does not believe that will cover the heating costs but it would help offset some of the cost. If necessary the \$8,000 or \$7,000 now should come back to the City to help pay for the cost because the City is making the decision to maintain it with a minimum amount of heat. Councilor Starkweather commented he agrees with Councilor Clarenbach. He also commented that parts of the building have a sprinkler system in it which means that would have to be totally drained.

Councilor Bowers inquired if there have been any direct conversations with the Superintendent concerning this. Manager Dragon responded no but she has had conversations with the Business Administrator. Councilor Feener commented would it be easier to hold a public hearing where we readjust the line items in the budget; take the \$15,000 that they stated was to be used for winterization. He further stated they obviously used the money to do other things with it. Manager Dragon stated she has hoped that would not be necessary as the hope has been all along that we would be able to work together. Manager Dragon stated if her current understanding of the situation is not correct she would like that to be clarified now before the City Council makes a decision of whether or not to set a public hearing. She stated her preference is to work it out and be able to access the remaining funds for transitional expenses.

Councilor Sharon stated his concern in winterizing the building is that prices need to be obtained before making any decisions. The building is old, you have sags in the pipes and if you don't blow those lines and put antifreeze you will be replacing toilets and copper pipes all over the place in the spring. The worst things you can do with a brick or stone building with sheetrock in it is to put no heat in it because you will have mold in it. Councilor Andreozzi stated she agrees that some specific numbers are needed. She further stated she would like the Council to have Business Administrator O'Neill if he has any additional information he could share with the Council or a School Board Member to share information.

Mr. Keith Lohmann, School Board member advised that Business Administrator O'Neill may have given people the impression that some/any/all funding could be turned over to the City regarding Bessie Rowell School, originally for closing, then it was winterizing, now it is transitional expenses. He stated he does not know if all of those are the same things. He stated that was not Mr. O'Neill's decision to make, that decision ultimately would be made by the Board and the Board has made no decision on this issue as of yet. Part of the reason for that is because the number keeps changing from \$8,000 to \$7,000 or \$6,500 and he stated he is not sure it is done yet. He stated he feels the School Board, despite some of the

comments made here this evening, would like to work cooperatively, would like to help the City along but that comes by a vote of the Board. Manager Dragon stated she is happy to hear that because the email and conversation that took place earlier today was that the decision had been made that they would only assist the City with winterization of the building and if it is now being said that is not accurate response then that is different. Mr. Lohmann asked who the email was from and Manager Dragon responded the email was back and forth with the Business Administrator. Mr. Lohmann stated the Business Director was directed at the last meeting to talk with you Manager Dragon about winterizing the building and he stated he does not consider that a final decision, the Board has made no decision and he stated he believes the building could be jointly winterized. The money remaining still remains. It has not been spent on other things. Hence the public hearing that is being requested for \$75,000 to take money from the Special Education Trust Fund. Manager Dragon inquired as to when the School Board would make a decision. The next meeting would be December 19th and he stated he can request it be put on the agenda.

Councilor Bowers stated his concern is it would take another 8 months to resolve this issue like the last issue that existed over money. Manager Dragon stated it is going to be very important to have a very clear answer from the School Board as soon as possible because the building is still incurring expenses. If the decision of the School Board is not to turn over those funds, then a plan will have to be developed to address that. Councilor Feener stated that if this item is not on the School Board's agenda and the City does not receive a positive outcome towards what needs to be done with Bessie Rowell, that a public hearing be scheduled to adjust the figures on the balance sheet. Councilor Bowers commented he thinks the Board has a good understanding of how the Council feels and hopefully it will be taken care of and not come to that.

In conclusion of the City Manager's Update she reminded everyone that the Holiday Luncheon is December 23rd at the Fire Department. She also commented that the Neighborhood Watch Groups have gone well. The Mayor organized a meeting with a group on Mark Road neighborhood and met at the Library on

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October 17th and recently the Police Chief and Manager attended a group meeting with the Sterling Drive neighborhood. More and more meetings are being held and helping their neighbors and watching when neighbors are on vacation.

All in the signed agreements are back with reference to the Boat Ramp Project and if the good weather stays we may see some construction. Concerning the website, the first design meeting has been held. She distributed copies of what the front page would look like. Any suggestions are welcome.

Councilor Clarenbach inquired concerning the water treatment and the remaining one million dollar piece. Manager Dragon advised there has been no decision. She advised medication has been requested and Attorney Fitzgerald is working with a mediator.

Mayor's Appointment

Mayor Merrifield reappointed George Turcotte, Jr. as the Joint Board Representative and Brian J. Sullivan as the Alternate to the Concord Regional Solid Waste/Resource Recovery Cooperative.

Resolution #04-12 – a resolution concerning a supplemental appropriation for FY12 concerning withdrawal of up to \$75,000 from the Special Education Trust Fund to provide funding for additional unforeseen out of district placement costs incurred by the Franklin School District.

Motion made by Councilor Clarenbach that the Franklin City Council set a public hearing on Resolution #04-12 for Tuesday, January 3, 2012 at 7:07 p.m. in the Council Chambers, Franklin City Hall. Motion seconded by Councilor Boyd. Motion to set public hearing passes. Vote 7 yes votes and 2 no votes.

Mayor Merrifield read Resolution #04-12 into the record:

RESOLUTION #04-12

A Resolution Relating to a Supplemental Appropriation for Fiscal Year 2012

In the year of our Lord, Two Thousand Eleven.

WHEREAS, the City Council of the City of Franklin has adopted a budget for Fiscal Year 2012 which began July 1, 2011, and;

WHEREAS, the City Council of the City of Franklin, New Hampshire agrees to allow the withdrawal of up to \$75,000 from the Special Education Trust Fund to provide funding for additional unforeseen out of district placement costs incurred by the Franklin School District for the placement of court involved youth;

THEREFORE BE IT RESOLVED, that at the scheduled meeting of the City Council on Tuesday, January 3, 2012 the City Council of the City of Franklin, New Hampshire does hereby authorize a supplemental appropriation for the Franklin School District in an amount not to exceed – Seventy-Five Thousand Dollars (\$75,000), and an increase in the Franklin School District transfers from the Special Education Trust Fund not to exceed Seventy-Five Thousand Dollars (\$75,000) by a roll call vote:

Representative from Franklin Village Apartments to address the Mayor and Council

Manager Dragon advised this representative is looking to do a project through a CDBG Grant funds. The City already has a project scheduled to run through the economic development section for CDBG grant funds and so this project will go before the County and Merrimack County would like a letter of support from the City in regards to the project before a meeting that takes place tomorrow morning. So they are looking for a vote from the City Council as to whether there is support or not for the project and she stated she would share that information with Merrimack County tomorrow.

Mr. Kevin LaCasse stated he is looking for support from the City to apply for the grant to renovate the apartments located at 188-198 South Main Street known as Franklin View Apartments. Mr. LeCasse presented a slide show showing some of

the other projects that he and Family Housing, company which was formed in 2004 and they are located in New Hampton and they have apartment buildings in Berlin and in Claremont. He stated currently they have about 170 apartment units and with the addition of this project it would be an additional 30 units. He stated most of what they do is redevelopment of properties and there projects have a property manager to oversee the projects. They renovated and own a 27,000 foot square building in Claremont, wherein they installed an elevator, sprinkler system and many code upgrades. They redid a property owned by the historic district in New Hampton which entailed the renovating of 4 condos. They renovated a small multi-family in Claremont. It was a six unit that was cited for lead and was very mismanaged and still own the property. They also renovated one that was abandoned, copper stripped from the building and one that had lots of fire damage. A large project was completed in Berlin where they acquired 53 apartment unit and applied for an MSP Grant administered through CDFA and renovated 38 apartment units and were awarded a second round of funding to do another 9 units and he stated these are gut rehabs right down to the studs. He stated their acquisitions costs have been about 8 million dollars and the amount spent on renovations about 7 million.

Mr. LaCasse advised the property in Franklin is currently bank owned, and currently occupied. The building is severely rundown and very outdated and most of the apartments have been trashed. It commented there is mold, leaky plumbing, water damage, open A/C units where people and animals are getting in the building. He stated it is a currently occupied building and there is a ton of code violations, the smoke detection system is not up to code, mold, roof issues, non-energy water fixtures and the condition of the property is attracting a clientele that is more of a vagrant in nature. He stated the reason they are applying for the grant is the cost to renovate the property exceeds the value of what it would be after the property was said and done so to do a private capital loan there is not enough value in the property. The property is also poorly managed at this point. The solution is they want to renovate the exterior of the building to bring back an appeal and add some additional things to the exterior of the property, resurface the parking lot, add new windows, upgrade the signage,

add some color to the front of the building and add video surveillance which could be viewed on line or logging into the device on site, secure building access. He also stated a property manager will live on site as well as a maintenance person. He requested support from the City Council in order to go for in the application for the grant. He advised in purchasing the property, it is under contract now and all the funds are in escrow, which are non-refundable to close on the property. The closing is scheduled in January so there would be time to make application for the grant funds.

Councilor Clarenbach commented it is stated this is not Hud subsidized but as far as Section 8 certificates, those are transportable and could someone rent property in this building. Mr. LaCasse stated yes they could and we cannot discriminate. Councilor Clarenbach stated his concern is Franklin would end up with more than its share of certificates. Councilor Andreozzi asked would there be an objection if in the letter of support it was added that a manager would be on site. He responded his plan is to have an on-site manager on the property.

Councilor Audet commented that what has been done wrong here is coming into tonight with this presentation and needed an answer immediately. Based on that, Councilor Audet stated he is against it as he has not had an opportunity to visit any of the sites or acquire any additional information. Councilor Bowers stated he wished more people would come into the community and attempt to do what has been proposed this evening and he stated that location can get any worse and stated he supports the project. Councilor Boyd stated he is totally in favor of the project. Councilor Sharon also spoke in support of the project and commented on all the trash that is in a stream along the back of the building. Mr. LeCasse stated that would be part of the project to clean up all of that. Councilor Feener stated it is a good project.

Motion made by Councilor Feener that the Franklin City Council supports the Franklin Village Apartments project as presented by Mr. LaCass and that a letter of recommendation be sent to Merrimack County in support of a CBDG grant award. Motion seconded by Councilor Boyd.

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Motion to adjourn made by Councilor Starkweather, motion seconded by Councilor Feener. All in favor, meeting adjourned at 9:35 p.m.

Respectfully submitted,

Sue E. May

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Councilor Andreozzi offered an amendment to the motion that in the letter it be stated that the Council has been informed by the applicant that an on-site manager will be on the project. There was no second. Amendment fails.

Councilor Feener called the question, seconded by Councilor Clarenbach. All in favor, motion to call the question passes.

Motion to support the project by sending a letter to Merrimack County passes. Vote: 8 yes votes and 1 no vote.

