

CITY COUNCIL BUDGET WORKSHOP MEETING

JUNE 28, 2011

Call to Order

Mayor Merrifield called the meeting to order at 6:00 p.m. Salute to the Flag was said.

In Attendance

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

Councilor Andreozzi commented she has had this concern for a number of years that at the end of the school year the school always seems to have extra money and sometimes she stated she has felt that they have not used it as wisely because they are in a hurry. Even with all the problems this year, they did have quite a bit left according to the newspaper. She stated she was wondering if they could do what they did one year with the special education and that would be to reduce up front and hold extra funds that the school could come back and request funds instead of having funds left at the end of the year that are sometimes spent without a plan at the end of the year. Councilor Audet commented that it an elected body (school board) and their responsibility to the tax payers are to get as good education as they can. He also stated the board had some things to deal with and that they have done a remarkable job taking care of matters. The Council should not tell them how to spend their money. They come before the Council with a budget, it is approved and that's it. The Council is here to run the City and the School Board runs the education. Councilor Bowers commented that he feels the way to go and hopes this will be brought up in a Legislative Committee Meeting and in a Finance Committee Meeting, bring the responsibility of doing the school budget to the City Council and do the budget as a whole, not do it separate. Councilor Bowers commented he would not be in favor of holding back money and it states in the Charter if there are funds left at the end of the budget year; they come back to the General Fund. Councilor Andreozzi stated she does not want anyone to think she does not think the school

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Board is working hard, especially the last few months they have done an incredible job. Councilor Bowers inquired how it was known they had funds left over and Councilor Andreozzi stated it was reported in the paper and that the school board voted to encumber the funds. Councilor Bowers asked how much money was left over and Councilor Andreozzi stated she couldn't recall exactly what the article quoted but it was in the neighborhood of \$30,000 - \$40,000. Both Councilor Feener and Councilor Bowers commented that ending up with funds is pretty good considering months ago they were $\frac{3}{4}$ of a million dollars in the hole. Councilor Feener commented he is not concerned as long as they encumber the proper way.

Councilor Audet suggested on the Meals/Rooms there is \$384,622.39 and he proposed taking \$150,000 of the meals/rooms and put it in the CIP, and take \$61,000 from meals/rooms for a new roof at the Fire Department that has been needed for some time. The balance in the Meals/Rooms would be \$173,622. Mayor Merrifield stated an offsetting reduction in expenses. The total that would need to be cut from the expenditure side would be \$212,000.

Councilor Andreozzi commented on figures the Council was given on Actual Expenditures under the City Manager's Contingency, the adjusted budget was \$31,000 and \$1,000 was spent out of that line leaving \$30,000 to date. She asked if there are any other last minutes expenditures coming out of that line. Manager Dragon responded no. Manager Dragon did advise that a department head meeting was held to review the entire bottom line of the budget because an estimate of fund balance was done, estimating shortfalls and revenue and at that time were within \$500 of the entire bottom line for the City. She stated it has gotten better. In the budget a shortfall of over \$200,000 in revenues had to be offset. With that number in the bottom line, she stated we will come in on schedule, if you take it from the bottom line and moved it somewhere else we could potentially be within a couple thousand dollars of the bottom line. Manager Dragon stated adjustments have been made throughout the revenue projects and one of the large ones was in motor vehicle fees.

Councilor Clarenbach questioned the motor vehicle revenue line being the same as it was \$100,000 short this year. Director Milner stated that boat registration was put into that line which is \$3,000. Councilor Clarenbach stated then in essence that line was kept flat even though we were \$100,000 short this year according to the last cut sheet. Director Milner stated that cut sheet was through mid-June. Mayor Merrifield questioned if that cap is expected to close somewhat and Director Milner responded that yes she does.

Councilor Bowers asked Manager Dragon and Director Milner if they feel the revenue estimates for the next budget are conservative. Both responded yes.

Councilor Clarenbach inquired about the \$10,000 encumbrance from 2010 in Planning and Zoning on Page 8 or 43 and the \$10,000 in this year's budget for a total of \$20,000 and none of that has been expended but because there is no contract. He then asked how \$10,000 could be encumbered from last year's budget if there was no signed contract. And, there is \$20,000 and going towards a \$25,000 item in the 2012 budget. He asked if both the \$10,000 going to help offset in revenue so two year's is being encumbered into the 2012 to offset a \$25,000 expenditure. Manager Dragon commented not to offset but to add to it. Councilor Clarenbach stated it will be \$45,000 for the City and he commented he thought it was \$45,000 total and water was paying half. Manager Dragon commented it is being split between water and sewer. The proposal from Cartographic was to fund the project over 3 years.

Director Sullivan commented this project is very important for water/sewer advising that there has never been a base map to scale and EPA is requiring under the permit and a state requirement in the water system that has not been enforced that requires a base map to scale.

Councilor Feener stated that so far he hasn't seen anyone bring forth any adjustments to the budget.

Motion made by Councilor Feener that the Franklin City Council schedules a public hearing for Monday, July 11, 2011 at 7:09 p.m. regarding Resolution #01-12 concerning adoption of the FY12 City budget. Motion seconded by Councilor Bowers.

Councilor Clarenbach expressed his concern that again this year there is no capital improvement funds in the budget and the City's infrastructures continue to go downhill. Councilor Bowers suggested this might be the time to have a discussion concerning the cap and making it modern.

Councilor Trudel handed out printed recommendations for 2011 – 2012 Budget Year. Those are attached to these minutes as requested. Councilor Trudel stated something has to bring change and if not the situation the City is in now with the budget situation or a major sewer break, equipment failure, and the funds won't be there to take care of these kind of things if we don't start putting money aside now especially for capital funding.

Councilor Clarenbach commented that the operating budget needs to be cut back and that the City is not going to do the same amount that was done before but the City will have to do less.

Councilor Sharon commented he is having a problem laying off one person in the City referring to the Rec Department; one person is being laid off to save \$33,000. However, one or two part-time employees who appear to work 40 hours per week. Councilor Sharon stated he feels that position should be put back into the budget for the sake of the youth of the City.

Motion passes to set the public hearing on the FY12 Budget for July 11, 2011.

Mayor Merrifield read Resolution #01-12 into the record.

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MUNICIPAL DEPARTMENTS

APPROPRIATION

S:

General Operations (MS-2):

General Government	\$1,430,157
Public Safety	4,317,281
Highways & Streets	1,453,671
Sanitation	865,804
Health	186,379
Welfare	169,763
Culture & Recreation	435,370
Debt Service	212,870
Capital Outlay	0
Interfund Operating Transfers Out	321,039

**Total General Operations
Appropriations**

\$9,392,334

Other Funds:

Parks & Recreation Appropriations	\$19,000
Outside Police Detail Appropriations	9,960
Water Appropriations	1,321,137
Sewer Appropriations	1,274,539
Fuel Depot Appropriations	274,090
Capital Projects Appropriations	5,636,918

**Total City
Appropriations**

\$17,927,978

ESTIMATED REVENUES:

General Operations (MS-4):

City Revenues General Fund	\$3,449,066
Interfund Operating Transfers In	2,900
Local Taxation	5,940,368

**Total General Operations Estimated
Revenues**

\$9,392,334

Other Funds:

Parks & Recreation Estimated Revenues	\$19,000
Outside Police Detail Estimated Revenues	9,960
Water Estimated Revenues	1,321,137
Sewer Estimated Revenues	1,274,539
Fuel Depot Estimated Revenues	274,090

Capital Projects Estimated Revenues	5,636,918
Total City Estimated Revenues	\$17,927,978

SCHOOL DEPARTMENT

APPROPRIATION

S:

General Operations	\$14,574,832
Food Service	713,732
Total School Department Appropriation	\$15,288,564

ESTIMATED REVENUES:

General Operations	\$10,185,462
Food Service	713,732
Local Taxation	4,389,370
Total School Estimated Revenues	\$15,288,564

MERRIMACK COUNTY

Estimated Tax to be Raised \$1,559,332

Councilor Bowers requested Parks and Rec Director Alpers clear up the concern about part-time people working 40 hours. She advised the part-time employees work 10 weeks at 40 hours/week for the summer program and one week prior to the summer program to get prepared and one week during the winter months 40 hours for the basketball tournament. The other weeks they work between 15 and 20 hours per week.

Manager Dragon advised to be clear it was not the Recreation Director’s decision to cut a position; it was the manager’s recommendation to cut the position. Director Alpers submitted a budget to the manager that included that position. Manager Dragon stated she had to submit a budget that was under the tax cap and in order to that she stated she had to make some difficult choices. Changes had to be made at the Transfer Station that the public may not be happy about as the hours and days open will be reduced. A position was eliminated at the Transfer Station which did enable an adjustment in the Sewer Department. Prior to FY 12 budget, the hours had to be reduced for a current employee from 32 to 24 hours and an employee was reduced in the MSD from 32 to 24 hours. She advised she took a look at the City as a whole, what the core services were and tried to keep the services as close to the same as possible.

Councilor Andreozi commented that she agrees there needs to be capital set aside and inquired of Councilor Clarenbach and Councilor Trudel what they want to cut from the budget. Councilor Clarenbach responded that the Council needs to make a list of things and all Councilors need to state what is important to them. Councilor Trudel stated he is not recommending any cuts but is suggesting that the department heads get together and figure out ways they can save money within their departments. Councilor Bowers asked Councilor Trudel if he feels department heads are not trying to save money. Councilor Trudel responded he has not seen anyone come forth and state what they are doing to try and save monies. Councilor Bowers stated that the Department Heads work as a team and there is not any one member that would step forward to take credit for cost saving measures. They work hard for the City and save money wherever they can. Councilor Bowers also asked Councilor Trudel if he has spent any significant time with all of the Department Heads. Councilor Trudel responded no he has not, he does not want to get in their way. Councilor

Councilor Feener inquired as to what the City had left over from last year and Manager Dragon and Director Milner responded about \$100,000. Councilor Feener stated this year it looks like it is about \$30,000. Manager Dragon stated the reason there was \$100,000 last year is because she froze expenditures in March. Manager Dragon stated we are budgeting close, the closer we get to the bottom line means that we are doing all that we can to provide the services in the departments with the amount of monies we have. Every year we cut and every year we try to find different ways to reduce costs and increase revenues. Councilor Feener commented that the department heads are writing grants and getting them approved which is bringing revenue in.

Mayor Merrifield commented the Northern Pass will bring 4.2 million dollars per year minimum to the City of Franklin. Mayor Merrifield stated he sees Northern Pass a very hopeful beacon for the City of Franklin. He further commented that many blame everything on the tax cap but we lost a tremendous amount of revenue from the State.

Councilor Sharon suggested since Bessie Rowell School will be closing that the name Bessie Rowell be placed on the middle school so that the name Bessie Rowell is not lost and the middle school would become Bessie Rowell Middle School. Manager Dragon stated that she checked with the City Attorney and that would be something the School Board would have the authority to do.

Motion made by Councilor Andreozzi that the funds in the FY 12 budget for FBIDC would not be paid until the Council has agreed that the City Manager's proposal of agreement with FBIDC is accepted by the Council. Motion seconded by Councilor Sharon. All in favor, motion passes.

Motion made by Councilor Feener that the Franklin City Council schedules a public hearing on Ordinance #03-12, relating to a change of sewer fees, for Monday, July 11, 2011 at 7:10 p.m.; motion seconded by Councilor Bowers. All in favor, motion passes.

Mayor Merrifield read Ordinance #03-12 into the record:

ORDINANCE #03-12

AN AMENDMENT TO THE FRANKLIN MUNICIPAL CODE:

In the Year of our Lord, Two Thousand Eleven;

Be it ordained by the City Council of the City of Franklin that the Franklin Municipal Code, Chapter 160, Fees, 160-1 Fees charged for service by the City of Franklin Water/Sewer Department be changed as follows:

	<u>Current Fee</u>	<u>Change To</u>
Sewer Disposal Charge Per 100 cubic feet	\$5.30	\$5.84

Fee to be effective July 1, 2011

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Motion made by Councilor Andreozzi that Choose Franklin is allowed to have their meeting in the Council Chambers the last Monday of the month (September 26th) which is reserved for the City Council. This would be for the candidates' forum. Motion seconded by Councilor Sharon. All in favor, motion passes.

Motion to adjourn made by Councilor Clarenbach, seconded by Councilor Starkweather. All in favor, meeting adjourned at 8:05 p.m.

Respectfully submitted,

Sue E. May