

**CITY COUNCIL BUDGET WORKSHOP MEETING
JUNE 25, 2012**

Call to Order

Mayor Merrifield called the meeting to order at 6:00 p.m. in the Council Chambers, Franklin City Hall. Salute to the Flag was said led by Councilor Feener.

In Attendance

Councilor Boyd, Councilor Feener, Councilor Dzujna, Councilor Desrochers, Councilor Sharon, Councilor Trudel, Councilor Cournoyer, Manager Dragon and Mayor Merrifield.

Absent

Councilor Starkweather and Councilor Clarenbach.

Mayor Merrifield advised that the Council will first be going into a non-public session.

Motion made by Councilor Feener that the Franklin City Council enter into non-public session under RSA 91-A:3, II A, the dismissal, promotion, or compensation of any public employee, motion seconded by Councilor Boyd.

Roll Call Vote:

***Councilor Cournoyer – Yes
Councilor Trudel – Yes
Councilor Sharon – Yes
Councilor Boyd – Yes***

***Councilor Desrochers – Yes
Councilor Dzujna – Yes
Councilor Feener – Yes***

All in favor, motion passes to enter into non-public session.

City Council came out of non-public session at 6:15 p.m.

City Council Budget Workshop Meeting

June 25, 2012

Page 2

Motion made by Councilor Feener that the Franklin City Council seal the minutes of the non-public session because releasing them would make the action taken ineffectual. Motion seconded by Councilor Desrochers.

Roll Call

Councilor Cournoyer – Yes

Councilor Trudel – Yes

Councilor Sharon – Yes

Councilor Boyd – Yes

Councilor Desrochers – Yes

Councilor Dzujna – Yes

Councilor Feener – Yes

Final Budget Review

Manager Dragon commented that Finance Director Milner has prepared a very good summary of the budget. She stated if you recall at one of the budget session we talked about the pickups that were not calculated in time for the manager's budget so that is \$28,656. If you look at the traditional tax cap formula there is a portion of it that would be allocated to the school and a portion that would be allocated to the City. \$18,913 would go to the City. At the last work session the Council had voted to go ahead with Granite State Animal Shelter for \$20,000 which then eliminated the Humane Society which was \$15,000 which is a difference of \$5,000. What is being proposed is the Fire Station roof appropriation be moved to the Manager's contingency line and was discussed at one of the work sessions as the roof is being done out of this year's budget, it is in the budget and instead of leaving it in that line using it for any emergency capital or otherwise project that would come up leaves some flexibility for that. Mayor Merrifield stated so the \$61,000 that is proposed would be moved to the manager's contingency line and the bottom line stays the same. The property liability insurance increased and when the budget was prepared an estimate was used and we now have the actual bill and that is the portion, the \$4,728, that goes to the General Fund, there is a portion that is also allocated to the Water and Sewer fund so that net change leaves \$9,185 for the Council to consider allocating elsewhere. She recommended that also be moved to the manager's

City Council Budget Workshop Meeting

June 25, 2012

Page 3

contingency line for emergencies that may come up. She stated there are lots of needs but they may change and like every year we hold off and wait and see what is the top priority and how much money is left as the fiscal year comes to a close.

She commented on the Brownfield Grant that we now know has been awarded to Franklin and the creating a new line for that which is the \$200,000 EPA Grant. There is some Aquatic Resource Management Grant revenue that was awarded but has not been expended and instead of having to go through the process of appropriating that again which is \$103,746. Lastly she advised is a housekeeping item which needs to be corrected in the Code Book, the Fire and Police Reports is \$10.00 which is listed in the Code Book as \$1.00 per page. She basically there is \$9,100 difference to the positive.

Mayor Merrifield inquired the \$61,000 and the \$9,185 going to manager's contingency, why not capital reserve. Manager Dragon commented that capital reserve is more restrictive than manager's contingency and manager's contingency is a lot easier to access for emergencies and capital reserve has to be identified for a purpose and then is transferred over to be handled by someone else. Director Milner commented that if you recall capital reserve cannot be used for lease payments so if it happens that a truck or something breaks down and all that can be afforded is a lease payment you would not be able to use the capital reserve. Manager Dragon commented that many capital items are done through the manager's contingency line. Councilor Feener supported putting it in the contingency line. Councilor Boyd commented he agrees with Councilor Feener to put it in the contingency line.

Councilor Desrochers stated that several residents commented to him that the school had something like \$360,000 left this year and he was advised it was \$372,000. Years past they had \$146,000, and a year or so ago they wanted to spend \$120,000 for light on the athletic field. He stated it is time that the school department helps contribute to the City, especially when you have an excess of over \$300,000. Councilor Desrochers stated he would propose that the City take \$50,000 of their proposed budget and \$22,000 of that could be used to increase

City Council Budget Workshop Meeting

June 25, 2012

Page 4

the Veterans Exemption \$100 instead of the \$50 currently proposed. \$5,000 could be used for a roof on the MSD Building as the shingles are curling up. The City owes \$35,000/year for the ambulance payment and we have a contingency on that loan if we cannot pay it the Company will buy the ambulance back. \$17,500 could be used for half of the ambulance payment. \$4,500 would be left and could be put in the manager's contingency fund or leave in the budget. He stated he is not picking on the school but all the other City departments contribute to each other. The City could use a hand and it will benefit everyone in the City and this amount is about .3% of the school's budget.

Councilor Dzujna asked on the money that is left over does anybody know if that money is allocated for some other project. Councilor Feener responded that after a School Board meeting they encumbered \$370,000 for projects they will be doing at the different schools for the upcoming year. Councilor Dzujna stated he agrees with Councilor Desrochers that you see what these department heads do just to try to get the \$61,000 to put the roof on the Fire Station, how everybody skimped and saved and cut down at the end of the year to get the money for the roof. We all are in the same boat together and he wondered if the school district realizes that.

Councilor Cournoyer stated Councilor Desrochers hits a homerun in his book. .3% is a very modest number. Councilor Feener commented with the encumbered monies they plan to do Paul Smith roof, revamping the boys' locker room at the high school, and carpet at the Middle School. Councilor Desrochers commented he is not saying they have allocated the money foolishly. He further commented it was said that closing the Bessie Rowell School would save them \$700,000. This is the City of Franklin, we all need to work together; the City Manager cut \$370,000 from the City's budget this year. There doesn't seem to be any give and take, it appears to be all give.

Councilor Feener commented he was not pleased as the City has helped them out in the past and they come up with a windfall like that and spend it, too bad they don't think of themselves as part of the City instead of being independent of the

City Council Budget Workshop Meeting

June 25, 2012

Page 5

City. He stated \$50,000 might send a message to the district and he stated he would support it but it should be done at the public hearing and have the accounts set up where the money is going. Mayor Merrifield advised if the Council embraces this proposal, concerning the increase in the Veterans' Exemption we probably would need to check with the Assessing Department on the process to do so.

Councilor Boyd asked how much money did the School District get from the State of New Hampshire and was informed it was 9 million dollars. Councilor Boyd stated well taking \$50,000 from 9 million shouldn't be a problem. Councilor Boyd stated he agrees with taking the \$50,000 and it would probably send a proper message. And, he further stated he believes in helping the Veterans.

Manager Dragon commented that if this is the way the Council wants to proceed; it probably should be decided tonight as the resolution would have to be changed, the school number would need to be reduced, change the tax revenue and then change the veterans exemption. Director Milner stated the question she has if we are taking half of the ambulance payment, does that means we are to reduce what is being taken in by capital reserve by that half as there is already a full ambulance payment in the budget but it is being taken from capital reserve. Councilor Desrochers commented if the ambulance payment is reduced by half, why can't we put that half in capital reserve.

Councilor Feener pointed out that as long as you do not go over the bottom line, adjustments to the budget can be made the night of the public hearing and he commented it would make it more effective to do it the evening of the public hearing. Manager Dragon commented the exemptions have to be noted ahead of time and requires an ordinance change. Mayor Merrifield commented the exemptions are a very different issue; you are reducing the amount of taxes you are raising. Councilor Sharon asked if the monies could temporarily be placed in the contingency fund and Mayor Merrifield responded no as you would then have to raise taxes.

Motion made by Councilor Feener that the Franklin City Council approves Resolution #17-12 relating to the payment of like expenditures for both accounts payable and payroll until FY 13 Budget is adopted. Motion seconded by Councilor Trudel.

Mayor Merrifield read Resolution #17-12 into the record:

RESOLUTION #17-12

A Resolution relating to payment of necessary accounts payable and payroll in fiscal year 2013.

In the year of our Lord, Two Thousand Twelve,

WHEREAS, The City Council of the City of Franklin has not adopted a Budget for Fiscal Year 2013, which will begin July 1, 2012, and

WHEREAS, The City Council of the City of Franklin wishes that all necessary accounts payable and payrolls be paid during the month of July 2012, now

THEREFORE, BE IT RESOLVED THAT, The City Council of the City of Franklin does hereby authorize payment of like FY12 expenditures for both accounts payable and payrolls and the City Treasurer is hereby authorized to draw necessary drafts as approved by the City Manager/Superintendent up to the time that the 2013 Fiscal Year Budget is adopted by a roll call vote.

Roll Call Vote:

**Councilor Boyd – Yes
Councilor Clarenbach – Yes
Councilor Cournoyer – Yes
Councilor Trudel – Yes**

**Councilor Feener – Yes
Councilor Sharon – Yes
Councilor Desrochers – Yes
Councilor Dzujna – Yes**

Motion passes; Resolution #17-12 is approved.

Councilor Feener thanked Manager Dragon and the City staff for their work on the budget and making it much easier for the Council.

Councilor Trudel commented he would be interested in hearing from the City Manager concerning what she might think the funds should be used for. Manager Dragon stated there are many needs in the City. She stated the Veterans' Exemption is important and it has been put off for several years. She stated the roof on the Municipal Services building is something she wanted to get done; the ambulance payment will help take a little pressure off as it was to come out of the capital reserve account as this will leave a little cushion for the following year in capital reserve and monies for the contingency fund is very helpful. Manager Dragon did comment concerning the school the special education element is difficult to predict, they can have a good year and then a bad year. Councilor Clarenbach commented that for the Council as a body to take monies to plug certain holes without a consensus from both Boards of where we are really doing the most good for the overall community and talk about some of those shared goals is not prudent, he stated he feels we are taking a big mallet to try to bang sense into them and he stated he is not sure the end result we desire would be accomplished. As Manager Dragon had commented, the two Boards need to work together.

Councilor Cournoyer commented that this amount of monies really isn't that much and like Councilor Desrochers stated, give just a little. Some of the funds would be going to the Veterans who fought for this Country and are probably life-long residents of Franklin and have supported the School District. Councilor Feener commented that a couple of years ago the District was short and the City made it up for the school. He stated they are a department of the City and need to work with the other departments of the City. Mayor Merrifield commented that we are actually not talking about \$50,000 because we have additional funds from pickups that have not been included and we are assuming the school budget would be \$9,700 higher. Councilor Desrochers commented the purpose is not to

hit anyone over the head with a mallet but to do your fair share and he stated he does not feel the school is doing their fair share. Councilor Dzujna stated maybe the School and the City should start doing the budget together. Councilor Sharon commented perhaps combining the School and City Finance Departments into one department and have all the bills paid out of one department.

Mayor Merrifield called a short recess and then the meeting resumed.

Motion made by Councilor Feener that the Franklin City Council schedules a public hearing for Monday, July 9, 2012 at 6:00 p.m. in the Council Chambers, Franklin City Hall concerning Resolution #01-13. Motion seconded by Councilor Desrochers.

Mayor Merrifield read Resolution #01-13 into the record:

RESOLUTION #01-13

A resolution relating to Appropriations and Estimated Revenues for Fiscal Year 2013.

In the Year of our Lord, Two Thousand and Twelve.

Be it Resolved by the City Council of the City of Franklin that the following appropriations and revenues be made for Fiscal Year 2012-2013:

MUNICIPAL DEPARTMENTS

APPROPRIATIONS:

General Operations (MS-2):

General Government	\$1,779,578
Public Safety	4,468,992
Highways & Streets	1,378,921
Sanitation	864,663
Health	185,416
Welfare	197,365
Culture & Recreation	511,479
Debt Service	203,770
Capital Outlay	0
Interfund Operating Transfers Out	292,673
Total General Operations Appropriations	\$9,882,857

City Council Budget Workshop Meeting

June 25, 2012

Page 9

Other Funds:

Parks & Recreation Appropriations	\$19,000
Outside Police Detail Appropriations	9,960
Water Appropriations	1,492,383
Sewer Appropriations	1,317,352
Fuel Depot Appropriations	355,630
Capital Projects Appropriations	4,749,128
CDBG Grant Appropriations	588,957
Total City Appropriations	\$18,415,267

ESTIMATED REVENUES:

General Operations (MS-4):

City Revenues General Fund	\$3,623,100
Interfund Operating Transfers In	37,900
Local Taxation	6,221,856
Total General Operations Estimated Revenues	\$9,882,856

Other Funds:

Parks & Recreation Estimated Revenues	\$19,000
Outside Police Detail Estimated Revenues	9,960
Water Estimated Revenues	1,492,383
Sewer Estimated Revenues	1,317,352
Fuel Depot Estimated Revenues	355,630
Capital Projects Estimated Revenues	4,749,128
CDBG Grant Estimated Revenues	588,957
Total City Estimated Revenues	\$18,415,267

SCHOOL DEPARTMENT

APPROPRIATIONS:

General Operations	\$14,398,370
Food Service	751,831
Total School Department Appropriations	\$15,150,201

ESTIMATED REVENUES:

General Operations	\$9,870,140
Food Service	751,831
Local Taxation	4,528,230
Total School Estimated Revenues	\$15,150,201

MERRIMACK COUNTY

Estimated Tax to be Raised \$1,572,663

All in favor to schedule the public hearing on Resolution #01-13.

Motion made by Councilor Feener that the Franklin City Council schedules a public hearing on Ordinance #01-13 for Monday, July 9, 2012 at 6:02 p.m. in the Council Chambers, Franklin City Hall. Motion seconded by Councilor Trudel.

Mayor Merrifield read Ordinance #01-13 into the record:

ORDINANCE #01-13

AN AMENDMENT TO THE FRANKLIN MUNICIPAL CODE:

In the Year of our Lord, Two Thousand Twelve;

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 be changed as follows:

	<u>Current Fee</u>	<u>Change To</u>
Commercial Hauler Administration Fee	\$10/ton	\$15/ton
Digging Permit	\$100/each	\$150/each
Microwave Oven Disposal Fee	\$20/each	\$5/each
Police/Fire Reports	\$1/page	\$10/each

Fee to be effective July 1, 2012

All in favor of scheduling the public hearing on Ordinance #01-13.

Motion made by Councilor Feener that the Franklin City Council schedules a public hearing on Ordinance #02-13 for Monday, July 9, 2012 at 6:05 p.m. in the Council Chambers, Franklin City Hall. Motion seconded by Councilor Desrochers.

Mayor Merrifield read Ordinance #02-13 into the record:

ORDINANCE #02-13

AN AMENDMENT TO THE FRANKLIN MUNICIPAL CODE:

In the Year of our Lord, Two Thousand Twelve;

Be it ordained by the City Council of the City of Franklin that the Franklin Municipal Code, Chapter 272, Optional Veteran's Tax Credit, 272-4 expanding war service credit as follows:

§ 272-4. Adoption of provisions; designated amount.

[Amended 9-14-1998 by Ord. No. 98-4; 9-4-2007 by Ord. No. 06-08]

The City of Franklin does hereby adopt the provisions of RSA 72:28, V and VI for an optional veterans' tax credit and an expanded qualifying war service period for veterans seeking the tax credit. The optional veterans' tax credit is \$250 rather than \$200.

Effective July 1, 2012.

All in favor to schedule a public hearing on Ordinance #02-13.

Acceptance of the EPA Brownsfield Grant

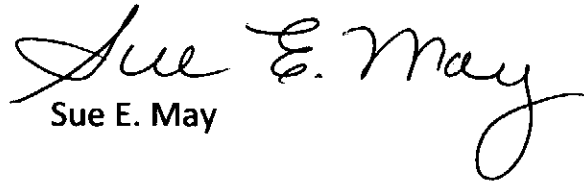
Motion made by Councilor Boyd that the Franklin City Council authorizes the acceptance of the Brownsfield Grant from the U.S. Environmental Protection Agency to be used for the cleanup of the City property located at 599-601 South

City Council Budget Workshop Meeting
June 25, 2012
Page 12

Main Street. The City Manager is authorized to sign all appropriate contracts or agreements and take any and all actions necessary to assist in the completion of this grant, including the expenditure of grant funds or other funds appropriated for these projects. Motion seconded by Councilor Desrochers. All in favor, motion passes.

Councilor Desrochers moved to adjourn, seconded by Councilor Feener. All in favor, meeting adjourned at 8:00 p.m.

Respectfully submitted,


Sue E. May