

**CITY COUNCIL BUDGET WORKSHOP MEETING
JUNE 10, 2013**

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 Starkweather.

In Attendance

Councilor Dzujna, Councilor Sharon, Councilor Cournoyer, Councilor Desrochers, Councilor Feener, Councilor Trudel, Councilor Starkweather, Councilor Clarenbach, Mayor Merrifield and City Manager Dragon.

Absent

Councilor Boyd

Mayor Merrifield commented that there was a discussion at the June 3rd City Council meeting on the resignation of a School Board member and he advised he received an email from an Attorney this evening just prior to our meeting and he stated he did not have time to copy it so without objection he offered to read the communication.

The communication is from Melissa Huey from Drumond and Woodson Attorneys at Law and it reads: "Ken Merrifield, Mayor City of Franklin. Dear Mr. Merrifield, We represent the Franklin School Board and it has come to our attention that the Franklin City Council proposes to appoint a School Board member to a vacancy in Ward I at an upcoming meeting. Giving the timing of the pertinent amendments to the Franklin City Charter we believe there is a strong probability that these amendments were enacted locally and they conflict with State Law. Pursuant to the requirements of State Law RSA 197:26 it is the responsibility of the School Board not the City Council to fill vacancies occurring on the Board. It is our position therefore that the City Council has no authority to make the proposed appointment and any attempt by it to do so will be violation of the Law. I am writing therefore to request that the City Council follow the requirements of the

State Statute and allow the School Board to fill the vacancy. Sincerely, Melissa A. Huey”

Mayor Merrifield commented that he thinks a large number of the School Board members over the years have been appointed by the City Council without question including he stated himself in 1992. He stated he does not know how long this has been part of the City Charter that School Board members are sworn to uphold but he stated he thinks it has been a long, long time, maybe 100 years as long as we have been a City. Mayor Merrifield commented he does not know what the Council wants to do but in his opinion the Council is authorized to fill the vacancy. Councilor Dzujna inquired if this is the school’s regular attorney and the Mayor responded he does not think so because Attorney Upton has been the attorney for the school. Councilor Desrochers inquired if this is not their regular attorney where are they getting the funds for this new attorney. Councilor Feener asked who authorized them to hire this attorney. They haven’t had any meetings, is it an individual Board member doing this, the superintendent doing this, it would nice to know who authorized this. If done by an individual, they should be paying the bill and not the City of Franklin tax payers.

Councilor Trudel requested that the Council receive a copy of the communication from Attorney Huey and Mayor Merrifield stated he would see that each councilor receives a copy.

Motion made by Councilor Feener that the Franklin City Council open nominations to fill the vacancy in Ward I for the School Board, term to expire January, 2014; seconded by Councilor Cournoyer. 1 no vote; motion passes.

Mayor Merrifield opened the floor for nominations.

Councilor Feener nominated Charles “Chad” Carey for the Ward I, School Board vacancy; seconded by Councilor Cournoyer.

Motion made by Councilor Feener to close nominations, seconded by Councilor Desrochers. All in favor, nominations are closed.

Motion made by Councilor Feener to cast one single ballot for Chad Carey for an appointment to the School Board in Ward I; seconded by Councilor Cournoyer.

Councilor Clarenbach stated he does not feel the Council is moving in the right direction, by making this appointment right now and he stated he does not even know this individual, but we are just throwing gasoline on the fire. He stated he does feel we are in a situation right now where one side versus the other and it continues to be elevated. He stated he is not sure that it is prudent to fill this position at this time. He stated he does not know this candidate but will be voting no. He commented he feels the Council is just adding fuel to the fire.

Mayor Merrifield asked Councilor Clarenbach if he disputes the Council's authority to fill the vacancy and Councilor Clarenbach responded no, not at all.

Motion passes to fill the vacancy to the School Board, Ward I with Chad Carey. There was one no vote.

City Clerk Burbank gave the Council an update concerning the petitions that were presented to the City Council concerning a request for removal of two school board members and she was to validate the signatures for residency and legal age. She advised she has become the verification process; there are two petitions, one for Raymond Yonaitis and one for Kathleen Russo. On each of the petitions there were 113 total signatures. So far 71 of those signers were on the voter checklist, the remaining 41 letters have been sent to them asking them to come into City Hall to verify in fact who they are and that they live in Franklin. Of the 113 names one of them had a Gilford address so that was obviously eliminated.

City Clerk/Tax Collector

Page 3 of 44/City Clerk Tax Collector

City Clerk Burbank stated there are no real big changes in her budget this year. Professional Services is the line that it is used when mortgage searches are done for properties that are going to tax lien or tax deed and this procedure is required by State law. The company that the City switched to last year has saved the City approximately \$2,000.

Page 4 of 44/Elections

Ms. Burbank advised that typically for the City election the ballot machines are not used, the ballots are printed and that became a bit of an issue over the last election so she stated she would like to use the ballot machines for the City election in October. There are some additional funds in the supply line for the ballots.

Section 6/Library

Director Sargent pointed out that the part-time wages was reduced to make it more in line with the library hours that are being used. There are 7 lines the Board of Trustees has control over for operating costs and they are all level funded.

Section 5/Parks & Recreation

Page 36 of 44

Director Alpers stated the main changes in her budget is under wages there is a before and after school care category which has been added this year and before school care is being proposed for next year and would be offset by revenues and no cost to the City. The software line went up by \$500, which is annual maintenance fee and that is because it is proposed to accept credit and debit cards.

Page 37 of 44

Director Alpers advised that the bus rentals increased by \$1,400 due to the Recreation Department is now being billed for the gasoline whereas before the school was being billed for that. Operating supplies, new line for before and after school programs for the breakfast and snack portion which is offset by revenues.

Dr. Alpers advised with her meetings with the City Manager and the Recreation Committee it was discussed increasing the summer program fees while also making the program one week shorter. This would not take affect this year as the summer program is about to begin but would be in effect next year. She stated her proposal would be to go down to a 7 week program, increase the cost of the 7 weeks by \$10.00 which would make it \$350 for the first year and also charge for the field trips which would be a \$63.00 cost. Currently the charge is \$340 for 8 weeks which includes the field trips and with this proposal it would increase to \$350 for 7 weeks and an additional charge of \$63.00 for the field trips for a total of \$413.00 per child. It costs the City for the 7 week program \$591.00 which includes the field trips. She stated this will bring the gap a little bit closer and she stated she would recommend over the next 5 years increasing the summer program by \$50 each year bringing us to a break even status. She recommended that the \$2,000 savings be put into a scholarship fund so more scholarships could be provided. The initial savings would be \$8,400. Councilor Clarenbach stated he feels 5 years to break even is too long. Councilor Desrochers commented that 5 years is a ways out but with the economy and peoples' budgets are getting tighter and tighter that gradual increases over 5 years is probably the way to go. Director Alpers commented she wants to try to get the program affordable for families and not make too much of an increase to quick.

Section 5/Welfare

Page 34 of 44

Director Tracy stated the rental line has dropped substantially and has a lot to do with the Fire Department coordinating really well and the apartments are inspected to make sure they meet codes before the City will consider assistance.

Medication have increased and she stated we are having real struggle with people on prescriptions that have a very large deductible like \$4,000 in a year so the City winds up paying the Medicaid rate for the prescription. Director Tracy advised since December of 2012 through today she has brought donations into the City in excess of \$20,000 specifically office furniture, products from a person who is closing her business out, and liens on property for those that are receiving welfare assistance. Manager Dragon commented that Director Tracy has been doing a wonderful job because thinks out of the box. Manager Dragon also noted the expenses in the Welfare Department are going down this year.

Section 5/General Government – Executive

Page 1 of 44/Mayor and Council

Manager Dragon advised there are no changes, this is level funded.

Page 2 of 44/City Manager

Nuisance Abatement of which Brownsfield Grant is \$185,000 of the \$195,000 and Manager Dragon commented that figure is large because the City has not expended those funds yet; and \$10,000 for cleaning up of nuisance properties. Contingency number is down a little.

Page 5 of 44/Finance

Director Milner advised that wages are down with the shared position with the City Clerk's office and Finance office. Audit line is down by 1%. A new line is other contracted services for a total of \$240 for a check connect system and bank deposits can be done from the desktop instead of going to the bank. Postage is up and Director Milner stated it has steadily been increasing and she hopes to hold it at the \$2,500 this year and next year. Books and Publications are up 28% and she advised that the Thompson FLSA has doubled in price this year.

Councilor Desrochers inquired as to any progress concerning the merger of the Finance Department (City and School). Manager Dragon stated there was to first be a joint meeting with the Council and School Board and then a meeting to discuss the pros and cons of merging but to-date a joint meeting has not been set.

Page 6 of 44/Assessing

Manager Dragon stated we are going down from this budget but actually is back to where it normally would be at \$80,000 for the assessing contract. We are in the process of the partial update and in the end it equals a revaluation as we have done the statistical analysis and the review of the properties over the 5-year contract. In this budget there is also the support system for CLT for half a year and then we will switch to AVATAR and the best time to do that is when you are doing an update so you can take full advantage of the software in the future and if we don't make the switch this year it would be another 5 years before we could take advantage of that.

Page 7 of 44/Data Processing

This consists of all the software contracts and hardware. Manager Dragon commented one of the benefits in switching to AVATAR is the elimination of duplication of entry. Right now we enter our assessing information into CLT and then we enter it into BMSI and AVATAR talks between departments.

The legal expense line is level funded.

Page 11 of 44/General Liability Insurance

The City is in the third year of a three year contract and that is level funded and we always put in a \$1,000 deductible.

Equipment and Supplies

Lease of the copy machine and postage machine is up as a new postage machine had to be leased and it cost a little bit more as there were issues with the old postage machine. The City Hall travel line is kept at \$2,000 which is mostly used for the City Hall car which is always the oldest car from the Police Department that they are transferring out. The car is not used for real long trips because of the age but it is shared by everyone in City Hall.

Page 33 of 44/Drug Free Communities

This is a grant and therefore it is an in and an out. This budget is broken down and submitted to the DFC Grantors.

Page 40 of 44/Debt Service-Long Term Principal

Manager Dragon advised the City has three payments the 1997 Court House which will retire in August of 2017; the 1994 Bridge-Daniel Webster which retires August 2014, and the 1998 Police facility which retires August 2017.

Page 43 of 44/Capital Reserve for Bessie Rowell

Manager Dragon stated all organizations are to contribute \$5,000 to go into a capital reserve account each year for the upkeep and maintenance of the building.

Page 44 of 44/Overlay and Exemptions

Mayor Merrifield commented that the Manager's budget that has been presented is \$10,084,000 and the department requests were almost \$14,000,000 so the Manager had to cut almost \$4,000,000 out of the department requests.

Other Business

Manager Dragon at the last Council Meeting several properties were taken for back taxes. One of those properties was 161 Lake Shore Drive. She stated all four of the properties that have been taken, the owners have contacted us and in all probability all four properties will be bought back. When the City takes a property for back taxes the owner has the right to repurchase that property for up to three years.

Manager Dragon presented a hand written note from the owners requesting to buy back the property at 161 Lake Shore Drive. The interest and taxes that are due and it comes out to \$16,197.39 which includes a fee for the registry and the quick claim deed. It does not include a 15% penalty. The owners are supposed to bring the funds in June 13th with a certified check.

Motion made by Councilor Feener that the Franklin City Council deed back 161 Lake Shore Drive, Map 015, Lot 010-00 upon receipt of all back taxes and interest (without the 15% penalty). Motion seconded by Councilor Desrochers. All in favor, motion passes.

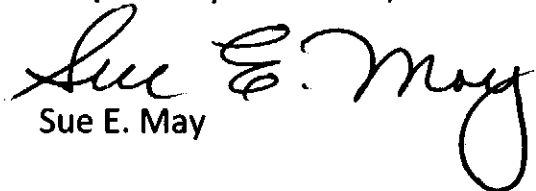
Manager Dragon commented on the mobile homes advising she call both mobile home park owners and asked them if they would be interested in those properties. She stated she had a meeting today with one of the park owners where two out of the three mobile homes are located. He has a real interest in one of them but is not sure about the other one as he stated there are a lot of problems with that one. She stated that might be one we would want to get cleared up even if the City did not recoup the entire amount of taxes that are due which is approximately \$8,000 so she stated she trying to negotiate a deal with him.

Manager Dragon advised she has copied the Police Department Union Agreement and a memo that explains the changes. All the changes are in bold and the Union has ratified the contract so the last piece is for the Council to ratify the contract. It was agreed the Council will review the contract and consider ratification at the next meeting.

City Council Budget Workshop Meeting
June 10, 2013
Page 10

Motion to adjourn made by Councilor Clarenbach and seconded by Councilor Feener. All in favor. Meeting adjourned at 7:45 p.m.

Respectfully submitted,


Sue E. May