

**CITY COUNCIL BUDGET WORKSHOP MEETING  
MONDAY, APRIL 28, 2014**

**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 led by Councilor Cournoyer.

**In Attendance**

Councilor Barton, Councilor Clarenbach, Councilor Starkweather, Councilor Feener, Councilor Cournoyer, Councilor Dzujna, City Manager Dragon and Mayor Merrifield.

**Absent**

Councilor Boyd, Councilor Desrochers and Councilor Giunta.

Mayor Merrifield turned the meeting over to Manager Dragon to present her proposed budget for Fiscal Year 2015.

Manager Dragon called attention to the fact that in addition to the budget packet and Council also has a report from Director Sullivan with a detailed explanation of the water and sewer fund rates.

Manager Dragon advised the CPIU was 1.5% this year which is approximately \$188,619 that would be used to spread over the school and City; however, because the County assessment came in under what we were estimating by almost the same amount we started the number at 0. She advised if you look on the summary page on the tax cap calculations it shows how it is broken out and looking at last year's numbers at the bottom and then you go to this year's numbers, the starting number is the same and the reason for that is the County. What was good was the new value that was added to the tax base and that gave the City \$108,243 to be split between the City and the school. The statewide property tax went down by \$171,921 which brings forty an increase in local taxes to be split between the municipal and school budgets for the tax cap calculation.

The School Budget has not been submitted yet but a calculation has been included in the manager's budget using the tax cap formula. The school is having difficulties as their numbers are going down. The City's portion for the school is not going down but has increased each year. Their statewide number went down and their adequacy number went down and the adequacy number went down because of their drop in enrollment.

Manager Dragon discussed the one time revenues which is something the City receives once or sometimes twice but are not ongoing revenues that would sustain operational increase and should not be rolled into balancing the operating budget so therefore one time revenues are being matched with one time purchases. There were a total of one time revenues of \$138,492 and a portion of that was used in the budget for one time purchases and a balance of \$104,508 was put into capital reserve. Some of the items covered with the one-time revenues were Police water heaters, Work in the lower level of City Hall, \$38,000 for Defibrillators which pays off the lease, fire doors at the Fire Department, \$30,247 for cruiser equipment, \$12,000 for XP conversation and some miscellaneous police equipment.

Other revenue changes include the expiration of the Cops grant which expired in September, 2013. This position is now fully covered in the regular budget with no offsetting revenues and there is a two year requirement to fund the position. Ambulance revenues have increased due to the bundled billing and the changing of the City's billing to 50% above Medicare. It is anticipated the City will receive a return contribution from Property Liability Trust but the amount is not known at this time. Rooms and Meals are expected to increase and it is estimated that the City will receive an increase of approximately \$31,275. This is not included in the budget. The Police Department in partnership with the Mayor's Drug Task Force raised the funds for the City's K-9 Program. The K9 Program will have a separate line from the grant line in the budget. Manager Dragon commented that the Police Department detail reimbursement rate has slowly been eroding away and one reason for that was the change in retirement costs and the rate has not been changed which is currently \$60.00/hour which the City makes about \$10.69 per hour and she

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suggested at some point that fee might need to be revisited. Councilor Cournoyer asked what the surrounding communities are charged for detail and Manager Dragon stated that would be something to look into.

Manager Dragon discussed benefit changes stated three years ago no steps or COLA was given; two years ago instead of a 3% COLA 1.5% (\$77,115.67) was given and step increases (47,714) were given. Last year both steps and COLA were cut from the budget. For this FY15 Budget Manager Dragon is proposing 1.5% COLA (\$85,542.97 of which \$75,531.19 is General Fund and steps are also included at a cost of \$41,637.88 of which \$38,917.96 are General Fund. The COLA and steps were possible due to a drop in the health costs and the dental stayed the same. Property Liability insurance went down by 5% which is an estimated savings of \$2,635. NH Retirement had no changes. Request for Proposals were done by Finance Director Milner which resulted in the City going with Primex for Workers Comp which resulted in an overall savings of \$23,880 instead of an estimated increase of \$47,251 if the City had stayed with Health Trust. Going with Primex for unemployment saved the City \$5,030 and Davis and Towle for short and long term disability as well as life insurance saved the City \$5,614.

Manager Dragon is recommending some position changes in the FY15 Budget. She advised there is a two-step adjustment for firefighters to correct an inequity between the firefighter and others with the same experience. Overtime has been increased in the Manager's budget by \$1,300 to cover hours the secretary spends at night meetings versus comp time. The position that has been shared between the City Clerk/Tax Collector Office and the Finance Office will now be a full time position in the Finance Office. A re-grade for the Planning/Zoning Secretary from Grade 1003 to Grade 1006 at a cost of \$1,484.20 is included in the budget. The Welfare Director's hours will be increased from 25 to 30 per week and she will be eligible for a single family health insurance plan. Manager Dragon advised that she is still in negotiations with the Police Union but there is some discussion concerning the adjustment of the patrol officer wage range to help with the retention of officers in the department.

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The Assessing update was completed; however, the assessors were unable to complete the conversation to transfer the program to Avitar from CLT which was a disappointment. An Avitar shell was put in place to allow current CKT software and Avitar billing in the Clerk's office. This eliminates duplicating entry but the next full update in assessing is not until 2018 and at that time the complete transfer to Avitar will be initiated as it would be cost prohibitive to make the transfer prior to the next update. The Drug Free Communities budget does not impact the bottom line of the budget as it is offset by grant funds.

Manager Dragon reminded the Council that last year the Recreation Summer Program was shortened by one week which represents a savings of \$3,800 in the FY15 budget. Additionally some more costly field trips have been eliminated or charging individually to bring the Rec budget closer to revenue versus expenses for this summer program. Manager Dragon advised when the Parks and Recreation Department present their budget to the Council, Director Alpers will have some numbers for the Council concerning the Proulx Center, however, currently there is nothing in the budget concerning this issue.

The City will be switching to the State's Fuel Island beginning July 1, 2014. Manager Dragon advised the \$104,508 capital funds were put into the Municipal Buildings Reserve Fund. Outside Agencies are level funded. Concerning the Veteran's Credit, in the FY15 Budget the credit is increased by \$50 going from \$250 to \$300 at an additional cost of \$17,600.

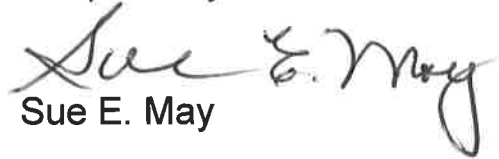
Manager Dragon advised the sewer rate will increase by .14 cents from \$6.13 to \$6.27 per cubic foot and the proposed water rate increase is an increase of .75 cents from \$4.51 to \$5.26 per cubic foot.

Councilor Feener commented looking at the budget summary on Section 5 where the department heads' proposal was just over 5 million and it was cut by the Manager to 11.9 million and he wanted to point out that the City has to cut their budget too to bring it under the tax cap. The public needs to know that not does the School have to cut their budget but so does the City.

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***Motion made by Councilor Feener to adjourn, seconded by Councilor Starkweather. All in favor, meeting adjourned at 6:50 p.m.***

Respectfully submitted,

  
Sue E. May