

**CITY COUNCIL BUDGET WORKSHOP MEETING
MAY 20, 2014**

Call to Order

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

In Attendance

Councilor Dzujna, Councilor Cournoyer, Councilor Desrochers, Councilor Feener, Councilor Starkweather, Councilor Clarenbach, Councilor Barton, City Manager Dragon, Finance Director Milner and Mayor Merrifield.

Absent

Councilor Boyd and Councilor Giunta.

Update on School District's Budget

Mr. Mike O'Neill, Finance Director for the School District provided the Mayor and Council with information concerning projected revenues for 2013-2014, additional estimated expenditures and projects to be considered. This information is attached to these minutes. Director O'Neill advised the total projected revenues are down \$110,674.00; total additional estimated expenditures \$640,315; estimated expenditures under the appropriation \$362,091; projected revenue shortfall \$110,674 for a Projected Fund Balance on June 30, 2014 of \$251,417. Councilor Desrochers commented he is very pleased to see Director O'Neill here tonight as it shows the School and the City are working together and he wished more people from the public were here to see it. He further stated that he has said since being on the Council if the school has monies left at the end of the budget year they should be allowed to carry it over to the following year. Councilor Feener stated he is glad the school has come to the Council and he asked if some of this money could be carried over to take care of the shortfall in your 2015 budget. Director Milner advised that the Council could appropriate the \$251,417 fund balance to the school. Councilor Cournoyer inquired if the school's left over funds could be escrowed and allocated to the school later without any legal problems.

Director Milner responded appropriating it from fund balance is the best and safest way. Councilor Feener commented he would like to see that happen and they could use some of the funds towards their \$114,000 shortfall and still would leave approximately \$137,000 to do other projects. Councilor Feener commented he has no problem letting the \$251,417 drop to fund balance but his only concern would be to do it to the operating budget is probably not a good practice.

Mayor Merrifield commented the surplus that was generated because of reduced salaries, benefits due to staff turnover and he stated he is assuming that is reflected in the next budget.

Councilor Dzujna commented that he is glad to see the school hear discussing an overage. Councilor Barton asked concerning the list of projects to consider, the cameras you might look into grants. Director O'Neill advised that they have looked at some that are matching grants. Councilor Feener inquired if they have gone out to bid on any of the projects they are considering. Director O'Neill advised the bathrooms at Paul Smith is an estimate and we would go forward with request for bids. The flooring replacement in the high school has gone out to bid, the roof for the boiler room, we have one bid but will need more; the other we have not gotten bids yet just estimates. Councilor Feener thanked Director O'Neill and commented it would appear we are in agreement to let the funds drop into fund balance then return to the funds for the projects listed or possibly others.

Welfare Department – Section 5, Pages 33 and 34

Director Sara Tracy commented that one of the biggest things is the educating the residents to the resources available in Franklin and the fact that the Welfare Office is not a checkbook. She advised the Medication line is the biggest unknown. Mayor Merrifield commented the overall Welfare budget is declining 8% despite the increase in the Director's hours. Councilor Feener commented there is some great savings in this budget and some of it is people being directed other places for services.

City Clerk/Tax Collector – Section 5, Pages 3 and 4

City Clerk/Tax Collector Holly Burbank advised that things have remained pretty much the same in their budget this year with the exception of Elections as there are three elections this budget system and only one election the current budget season. Councilor Cournoyer inquired if the Clerk's Office will ever offer debit card usage and City Clerk Burbank responded that they have been working on that and within the next couple of months over-the-counter cred card payments should be available.

City Clerk/Tax Collector Burbank advised the Mayor and Council with the implementation of a new property tax, utility and clerk software, they have been working very hard to bring an online payment system which is now up and running. People will now be able to enroll in paperless billing, pay using Mastercard, Visa, American Express or discover and still have the option of using their banking routing and checking number. The company that offers the program, Invoice Cloud, will be offering an iPod Sweepstakes for any resident that signs up to use our online bill pay. There is no cost to the City and the sweepstakes will run for 120 days so that the City can capture all areas of the City with notification in their utility bills.

Mayor Merrifield commented the Clerk's Office had a fairly significant staffing change in the last year, how is it going? City Clerk Burbank advised they are surviving, during the busy times of the year (dog tag/registration; taxes) it can be difficult but we are managing. She advised she is personally backed up but she stated for the most part everyone is doing great.

City Manager Dragon advised another change that will be brought forth shortly in City Hall is a change in the phone system so it will send calls to the correct department without someone having to answer the call and then transfer the call.

Library - Section 6, Page 1

Library Director Rob Sargent advised nothing has really changed in his budget. Councilor Clarenbach inquired concerning the revenue from the Trusts and showing a decline of \$11,000. Director Milner advised there is another piece that will appear by June 30th.

Mayor's Drug Task Force – Section 5, Page 32

Manager Dragon stated this is an in and out budget and we are in the 4th year of a 5 year DFC grant and application will be made for another 5 year grant which looks favorable after the visit from the Drug Control in Washington. This budget is submitted and approved by the DFC annually and is submitted at the same time as an action plan is submitted. The in kind match is run through the budget so the work Manager Dragon stated there is no shortage for the in kind match. The grant does not match our fiscal year and ends September and October 1st will be the beginning of the 5th year of the grant.

General Government – Section 5, Page 1

Worker's Comp 24% decrease over FY15 PLT due to change in carrier to Primex. Membership/Dues up 5%. No questions.

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Manager Dragon advised the biggest change is Nuisance Abatement and because we had some carry over from the Brownsfield Grant and was carried over in that line as part of the cleanup at 601 South Main Street but actually there was \$10,000 for demolition of buildings and that has been increased to \$20,000 knowing we have more buildings to demo. The contingency fund line it runs between \$50,000 and \$70,000 depending on how we end up in terms of balancing the budget. No questions.

Page 5 – Finance

Director Milner commented if you take out the move of the one position from the City Clerk's Office to the Finance Office the total budget is up about \$2,000 and is purely payroll driven. She advised the three-year term of the Audit is complete with the current auditor so for FY 14 which is paid in FY15 and she is recommending that we continue with the current auditor which will be the same cost. The check connect system is in the budget where your bank deposits are done from the desktop and that will be implemented in FY15. No questions.

Page 7 – Data Processing

Manager Dragon advised some computer need to be replaced because of an XP conversion to Windows and it is becoming an issue as a lot of junk mail is coming through the system and we have a lot of computers still using the XP system. The City Clerk's system is going to have to be replaced right away because as of the end of this month they would not be able to connect to some of the State's systems using XP. She advised part of the other increase is trying to keep up with the replacement of computers. We have overall 52 City-wide computers and 4 servers and we try to keep on a rotating replacement basis but every year it has been pushed out. No questions.

Page 7 – Legal Services

Manager Dragon stated everything has remained the same. No questions.

Page 10 – Insurance

Manager Dragon stated there is a very small increase in the dollar amount for General Liability. No questions

Page 10 – Equipment and Supplies

No questions

Manager Dragon advised this is the copy machine maintenance agreement; the postage machine and city-wide advertising for positions (level funded); City Hall travel which has been working very well using the old cruiser and/or sometimes paying mileage reimbursement and all is level funded. Councilor Cournoyer asked how many miles are on the old cruiser. Manager Dragon stated she is not sure on the mileage but the cruiser is never taken too far (Concord area).

Section 5 – Page 39, Debt Service

Manager Dragon advised the Court House debt will retire in August 2017, the Daniel Webster 1994 Bridge that retires August, 2014 and the Police Facility retires in August, 2017.

Non-Public

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 Desrochers.

Roll Call:

***Councilor Cournoyer – Yes
Councilor Barton – Yes
Councilor Feener – Yes
Councilor Starkweather – Yes***

***Councilor Desrochers – Yes
Councilor Dzujna – Yes
Councilor Clarenbach – Yes***

All in favor of going into non-public.

The Council and Manager Dragon discussed the State Employees' Association of New Hampshire, Local 1984, Service Employee's International Union AFL-CIO, CLC, Local Chapter #49, Municipal Services Department proposed agreement. Manager Dragon pointed out the proposed changes to the agreement and recommended Council approval.

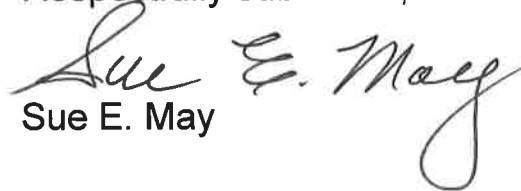
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Motion made by Councilor Feener and seconded by Councilor Dzujna that the City Council come out of non-public session. All in favor, motion passes.

Motion made by Councilor Feener that the Franklin Council approves a two year Agreement as presented from July 1, 2014 to June 30, 2016 between the City of Franklin and the SEA of New Hampshire (Municipal Services Department Employees). Motion seconded by Councilor Cournoyer. All in favor; agreement is approved.

Motion to adjourn made by Councilor Feener and seconded by Councilor Clarenbach. All in favor, meeting adjourned at 7:25 p.m.

Respectfully submitted,


Sue E. May