

Approved by City Council on December 5, 2016



City Council Special Meeting November 9, 2016

Call to Order

Mayor Merrifield called the meeting to order in the Council Chambers, Franklin City Hall at 6:01 p.m.

In Attendance

Councilor Clarenbach, Councilor Starkweather, Councilor Barton, Councilor Giunta, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon and Mayor Merrifield.

Absent

Councilor Boyd.

Salute to the Flag was led by special guest Elizabeth.

Mayor explained the reasoning for tonight's meeting due to legal timelines and in order to incorporate new funding that has become available the City must hold a public hearing.

Public Hearings

Resolution #06-17 – Appropriating \$216,311 in new revenue associated with \$8,642,049 new assessed value resulting from pick ups from new construction and utilities.

Annette Andreozzi stated she has no objection to include this and why it had taken so long as tax assessments were done April 1, which was three (3) months prior to the budget being set. It should have been the first thing the assessor's had done being such a large project. She realizes assessing does take time but it should not have taken six (6) months and this should be taken into account since we have contracted assessors. City Manager Dragon stated that during the budget process they got an estimate from the assessors of new value and it is normally not a lot of money. The estimate is normally given in April and pick ups are not done at this time because your values are as of April 1. In May the assessors were asked about the Webster Station and the response was they thought that part would be this year and the rest would be pick up in the following year. As a result of that the City Manager used the number the assessor provided. The MS1, form submitted to Dept. of Revenue with the actual assessed values, is due in Sept 1 but Franklin got an extension due to the work at the Webster Station and to make sure they got the value in there. Once that information is ready you go online to the portal to get the information to set the tax rate, the school's information is not on there yet. Finance Director Milner went in to see as she does a calculation of the tax rate and saw that it was going to drop so she knew something was wrong with the estimate. When she went back and looked what was picked up for the Webster Station the entire amount was picked up in this year

rather than over the two years like what the assessors told us. If this special public hearing wasn't held to adopt the new budget numbers the tax rate would drop and that would not make any adjustments to either the City or school budgets because how the tax cap formula is calculated it is with the beginning number so if it is not in there then it won't be changed for the years moving forward. It is very important to incorporate this before the tax rate is set to incorporate this money. The assessors always give us an estimated number but it is normally a big number to make a difference.

Susan Hallett-Cook talked about how this money could help with the loss of adequacy money. Last week several board members took a walk through the school buildings and were concerned about the middle school roof. It has been leaking for at least five (5) years and it has a structural issue in the back corner of the library with cracking and pulling away from the building. This is concerning because if the students don't have a school to attend no amount of funding Franklin schools will help. She is asking for some funding to go towards fixing this school.

Jennifer Weaver stated in a negotiation meeting the art teacher stated she needs paint and is having trouble teaching without it. That is what Franklin is facing teaching our children without the necessary tools. She begs the Council to look at the funds and how the Council can help the schools more. We need to help the kids they are our future.

Deb Brown spoke about a quote the Building and Grounds Director received in 2014 to repair the roof for \$290K on the classroom/preschool/kitchen area. There was another option for Gym/Cafeteria/Music area for \$95K estimate. This past spring the same contractor was contacted for an estimate and he gave a 10% increase in price to \$423K plus 10%. As part of the finance meetings we will look at capital projects to work with the joint City Council to come up with a plan. We need to consider the repairs as it is essential to keep the schools up to code.

Leigh Webb stated that whenever extra money comes into the City it is the purview of the Council how it is spent. There are lots of needs and was wondering if the decision needed to be made tonight. City Manager Dragon addressed that it will need to be appropriated tonight as there can be adjustments made after tonight but it has to be done before the tax rate setting. The increased values are not a one-time thing and will be available year after year and put into the pool to be pulled from. Mayor Merrifield stated that is correct this will be our new base. He then asked what is the impact of this on the tax rate. City Manager Dragon stated that if this is appropriated tonight we expect the tax rate to go to \$25.23. If it is not appropriated the tax rate goes to \$24.83.

Agenda Item I.

City Council to consider approving Resolution #06-17 that appropriates \$216,311 in new revenue associated with \$8,642,049 new assessed value resulting from pick ups from new construction and utilities.

Mayor read the resolution:

RESOLUTION #06-17

A Resolution Relating to a Supplemental Appropriation for Fiscal Year 2017.

In the year of our Lord, Two Thousand Sixteen,

WHEREAS, the City Council of the City of Franklin has adopted a budget for Fiscal Year 2017 which began July 1, 2016, and;

WHEREAS, the City Council of the City of Franklin, New Hampshire understands that the dollar amount of new assessment pick ups is very conservatively estimated during the budget process when calculating the new amount of tax revenue to be split between the City, School District, Statewide Education and County, and;

WHEREAS, the City Council of the City of Franklin, New Hampshire recognizes the actual assessed pick ups are \$8,642,049 higher than originally estimated mostly due to increases in utility values that were not known at the time of the original budget passage, and;

WHEREAS, The City Council of Franklin, New Hampshire recognizes there are several critical capital projects in need of completion, and;

WHEREAS, the City Council of the City of Franklin, New Hampshire wishes to appropriate the revenue from the additional pick ups and transfer those revenues to the buildings capital reserve account for future appropriation, Now,

THEREFORE BE IT RESOLVED that at the scheduled meeting of the City Council on Wednesday, November 9, 2016 the City Council of the City of Franklin, New Hampshire does hereby adopt Resolution #06-17 **authorizing an increase in FY2017 revenues:**

Property Tax Revenue Acct. No. 01-0-000-31100-000 – Two Hundred Sixteen Thousand Three Hundred Eleven Dollars (\$216,311),

And an increase in FY2017 expenditure account,

Transfer to Capital Reserve Fund - Buildings Acct No. 01-9-053-40976-000 – Two Hundred Sixteen Thousand Three Hundred Eleven Dollars (\$216,311),

By a roll call vote.

Motion: *Councilor Clarenbach moved that the Franklin City Council adopt Resolution #06-17 appropriating \$216,311 in new revenue associated with \$\$8,642,049 of new assessed value resulting from pick ups from new construction and utilities. Motion seconded by Councilor Dzujna.*

Councilor Zink asked for clarification on the two accounts for the schools. Finance Director Milner stated the first account is the local school tax account and that is the amount that based on the split of the budget would go into that account. The second account is the transfer to the school account which is excess money from city funding to the school district.

Councilor Desrochers stated that the middle school roof has been leaking for five (5) years and it can't wait another five (5) years. He would like to take \$200K of that money and put it into a fund solely for repairing the roof of the middle school as it can't be put off any longer. It is not the full amount but it is a start.

Councilor Starkweather agrees with Councilor Desrochers but he then stated that for years the school board has stated the Council gives the money and the school board decides where the money goes. He is unsure if the Council can do that. Councilor Desrochers responded that this has been done in the past of putting \$100K in a particular account just as recent as three (3) years ago. The previous school board knew the roof was leaking and took that money and put lockers in the high school, and made the boys' locker room more pleasing. He does feel the Council can put money aside for nothing but the roof.

Councilor Dzujna also agrees but there are so many things need to be done and if you designate to just the roof other things can't be done for the wall repair or is there any way to do it for general repairs. Councilor Desrochers stated he won't vote for it because the money will disappear.

Mayor Merrifield stated that he believes money can be put in an existing capital reserve account and it remains a vote of the City Council to release those funds which is a thought. City Manager Dragon stated it is an encumbrance and it can be put in a capital reserve account and when the need arises they can come to the Council to release the funds. Councilor Clarenbach stated he had a concern with the current resolution with the solar lease and the school is consistently losing their revenues. He feels that this is an opportunity to look at all items and put this money into an account as both budgets are set and not commit it to today to something that may or may not need it is not appropriate. City Manager Dragon wanted to clarify that the \$73K solar revenue project is revenue that is not going to come in this budget or if it is going to move forward ever.

Councilor Giunta stated he agrees with Councilor Clarenbach but wants to also remind the Council that it is fine to set aside the funds but in the end there is a chance that is could possibly be used for something else. Councilor Desrochers stated that this roof has been put off for 4-5 years and if it is not fixed soon there will be mold issues and then you have a \$425K roof and \$150K for mold abatement. As a governing body we have to stand up and show what we are going to use the money for what it is for and need to get it done.

City Manager Dragon stated if it is the will of the City Council to put it in a reserve account we do have an existing capital reserve account for buildings. For when the money needed to be expended for the roof it would be brought back to the Council to be voted on.

Council Barton stated that next year we are still going to be getting the money. Mayor Merrifield stated yes because we will still be taxing this property and there will be additional funds in next year's budget as a result of taking this action.

Council Giunta just wanted to remind the Council that money can be put aside for everything we want but at the end of the day we are \$1.3M short and many people will come forward looking to use that money elsewhere so that is the pressure the Council will be under.

Councilor Wells wanted to clarify for his understanding that there will be a short fall of \$73K on the income side and that is already budgeted and we have income of \$216,311. City Manager Dragon explained that it is in the budget as revenue. Councilor Wells then asked how many departments are going to be short. City Manager Dragon explained it will have to be monitored for the rest of the year on how the revenues are coming in and the expenditures are going out. If the money goes into capital reserve the money is preserved.

Mayor Merrifield explained that the proposal in front of you puts it into the schools general fund. Councilor Clarenbach explained that there are two (2) shortfalls, one on the city side of \$73K and one (1) on the school side of \$115K. This would cover both of them with the municipal administration giving the remainder to the school. Councilor Clarenbach is stating that all of it should go into the buildings fund and then come out for what is needed. He then stated he would make an amendment to his original motion.

Amendment: Councilor Clarenbach moved that the full amount of \$216,311 be put into capital reserve account for buildings - acct #01-9-053-40976-000 buildings. Motion seconded by Councilor Desrochers.

Mayor Merrifield asked that all discussions be confined to the amendment.

Councilor Giunta asked Councilor Desrochers to clarify his comment about the school board being ok with not getting the \$115K as at the Joint Finance meetings he was told it was essential they get that money back. Councilor Desrochers stated they are not necessarily ok with losing the \$115K but when he was talking with a school board member that person stated they will work and find a way to survive without the \$115K as they were talking about putting this money into the roof. That person said the roof is far more important as there is so much neglect in the buildings. Councilor Giunta asked the school board if this can go into this fund. Mayor Merrifield interjected that these funds can be moved at any time. Councilor Giunta stated that he is doing this so at the Joint Finance meeting there has to be a comradery. School Board Member Susan Hallett-Cook spoke that there is not enough of the board here to make that decision but if there is no building how can you teach, it has to be a priority. Councilor Clarenbach stated that the city tightens the belt all year long and at the end of the year they try to fulfill the projects that were in the budget. The school is probably more labor intensive and a lot less capital projects. The \$115K maybe something they request later in the year but that should be through the joint finance. We need to start knocking off some of these capital projects as they can't just sit and have nothing done on them.

Councilor Starkweather stated he agrees with Councilor Clarenbach as on the city side we have put off projects and then they were three (3) times the cost rather than fixing them when addressed. It has been a long time since the Council has heard about anything capital the school needs. He feels the City Council and School Board should take a tour of all city and school buildings.

Councilor Barton asked if the amendment could be reread. City Manager Dragon reread the amendment. City Manager Dragon stated that any release has to come back to the Council.

All in favor of the amendment; motion passes.

Mayor Merrifield then called for discussion on the amended resolution.

No discussion.

Roll Call vote on amended resolution:

Councilor Clarenbach	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Barton	<u>Yes</u>
Councilor Starkweather	<u>Yes</u>	Councilor Wells	<u>Yes</u>	Councilor Boyd	<u>abs</u>
Councilor Desrochers	<u>Yes</u>	Councilor Giunta	<u>Yes</u>	Councilor Zink	<u>Yes</u>

All in favor; motion passes.

Mayor Merrifield mentioned the education funding forum Monday night at 6:00 pm in Council Chambers and members of other communities have been invited. It is about what is happening with adequacy aid in the State of NH. It was sent to 40 communities that are losing \$1M and an email went to Superintendents of those same communities. Mayor Merrifield and the Northfield Chairman of the Select board will MC the event beginning with a power point and then open it up to conversation and will begin an email list for further communication.

Councilor Dzujna asked if any of our legislators be there. City Manager Dragon stated that she has been working with Senator Hosmer but she is going to invite Mr. French as she doesn't know where the election stands at this point. Senator Hosmer asked for City Manager Dragon to draft legislation and he would bring it forward. Mayor Merrifield envisions this meeting is for other communities to begin talking with each other and then begin to put pressure on the House and Senate.

Mayor Merrifield stated two days ago there was a motion to reconsider SAU withdrawal and school board members brought to the Council a concern about a Supreme Court Case and there is a letter from the City Attorney Fitzgerald provided to each Councilor. Mayor Merrifield characterized the letter stating that case is a different situation then what Franklin is in and does not apply to our consideration of SAU withdrawal and he also consulted with the school's Attorney Matt Upton. Councilor Barton made the motion to reconsider so before that is taken off the table is there any more information the Council needs.

Motion: *Councilor Barton moved to take the motion of off the table. Motion seconded by Councilor Desrochers.*

All in favor of lifting SAU Withdrawal from the table - 6; those opposed – 2; motion passes.

Councilor Barton stated that it was mentioned to him during the recess of the previous meeting that the SAU budget is developed separately from the Franklin School budget. The school board recognizes from the SAU budget what is needed. It would look at everything needed for the SAU and would leave money in the SAU because it wanted too.

A member of the public asked why the public can't speak and Mayor Merrifield clarified that is was because there was already a public hearing on this issue and it was brought for reconsideration.

City Manager Dragon stated **that the original motion was "I move that the Franklin City Council accept the provisions of RSA 194-C providing for the organization of a School Administrative Unit involving school districts of Franklin and Hill, in accordance with the provision of the proposed withdrawal plan.**

Mayor Merrifield stated this is the motion before you and he asks for discussion. He stated a yes vote is a vote to withdraw.

Councilor Desrochers asked if there can be a roll call vote on this for public record. Mayor Merrifield stated yes.

Councilor Zink stated she looked up Robert's Rules of Order, as she understands we govern this, and it states motions to reconsider need a day and we interpreting this as next meeting but the rules state differently. Mayor Merrifield stated he consulted the City Attorney and legislative bodies in the US are generally not restricted in their ability to reconsider questions.

Mayor Merrifield again asked for further discussion.

Councilor Giunta stated that as Chair of the Finance Committee and the discussion held this evening and how we need these funds. This is an opportunity to clear the way for both sides to consolidate and find at least \$27K or more and provide a clear a pathway to get money to the students for paint and keep teachers next year.

Councilor Dzujna stated he feels this is a way for the school and City Council to work together and think outside the box and do some innovative thinking and do things together.

Councilor Clarenbach stated he is not sure how if the school board in large numbers is against this how we are working together. He doesn't understand this.

Councilor Giunta stated as a member of the withdrawal committee that he saw power point after power point of savings if there was consolidation. Hill School Board has stated not to bring this up and will not discuss consolidation. He doesn't understand why school board members are against this measure.

Councilor Dzujna stated that it is one pot of money and we have to look at it logically. We are not telling them how to spend it. It is where we are going to get it from in order to spend it.

Councilor Barton stated one of the things he heard that Hill would be upset; they could ask to come back if they really wanted too. Mayor Merrifield stated the area agreement is the ten (10) year agreement they have with Hill. Councilor Barton asked again if they wanted to they could come back. Mayor Merrifield stated yes after their term ends.

Councilor Zink spoke against the motion to withdraw as many people spoke against this motion. The only savings she saw was Franklin will lose the \$63K from Hill. There was a formula for savings but that was eliminating a certain position. What she doesn't understand is if 5% of the Superintendent's time is spent going to Hill, how is eliminating a position and consulting doesn't see how the savings will pan out. She stated she doesn't trust the numbers because it is only 5% of that person's time. If we are concerned about money we need to look at those numbers.

Motion: *Councilor Desrochers moved to end the debate. Motion seconded by Councilor Starkweather.*

Councilor Dzujna opposed, All others in favor; motion passes.

Mayor Merrifield stated they will have the vote and Councilor Desrochers has called for a roll call vote.

Roll Call vote:

Councilor Clarenbach	<u>No</u>	Councilor Dzujna	<u>Yes</u>	Councilor Barton	<u>Yes</u>
Councilor Starkweather	<u>Yes</u>	Councilor Wells	<u>No</u>	Councilor Boyd	<u>abs</u>
Councilor Desrochers	<u>Yes</u>	Councilor Giunta	<u>Yes</u>	Councilor Zink	<u>No</u>

Mayor Merrifield counted it as a 5 in favor and 3 opposed which is 62% is the decision of the Council.

Mayor Merrifield wanted to mention a proposal for a workshop for the TIF district plan with a proposed date of November 28 and if that was good for the Council.

Motion: *Councilor Dzujna moved to accept November 28 at 6:30 pm as a Council workshop on TIF District. Motion seconded by Councilor Desrochers.*

Councilor Clarenbach stated he would be delayed. Councilor Zink asked if it could be moved to 6:30 pm.

All in favor; motion passes.

Motion: Councilor Zink moved the Franklin City Council conduct a public hearing on December 5, 2016 at 6:03 pm on the Franklin Falls Mixed Use TIF Plan. Motion seconded by Councilor Desrochers.

All in favor; motion passes.

City Manager Dragon stated they have a packet for the Welfare position hire. The position is being hired as an hourly employee and it is not a department head because it doesn't supervise staff and doesn't have the required time as some of the department head positions.

Councilor Dzujna asked when do you have to fill it. City Manager Dragon stated she is planning to begin next week unless the Council has concerns.

Motion to adjourn made by Councilor Clarenbach and seconded by Councilor Desrochers.

Counselor Desrochers opposed, All others in favor; meeting adjourned at 7:18 p.m.

Respectfully Submitted,

Lauraine G. Paquin