

CITY COUNCIL MEETING

AGENDA ITEM I



**CITY OF FRANKLIN
COUNCIL AGENDA REPORT**

November 5, 2012 City Council Meeting

Subject: Approval of Minutes

Motion: "I move that the Franklin City Council approves the minutes of the October 1, 2012 City Council Meeting, the October 5, 2012 Canvas the Vote Council Meeting, and the October 15, 2012 City Council Workshop Meeting."

Mayor calls for a second, discussion and the vote.

**CITY COUNCIL MEETING
OCTOBER 1, 2012**

Call to Order

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

In Attendance

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

Comments from the Public

Mrs. Traci Fowler, Co-Coordinator for the Mayor's Drug Task Force advised that October is Parents Involvement Month and she thanked the Mayor, the Superintendent, Principal Mike Hoyt, Choose Franklin and many local businesses, Parent Advisory Board, Franklin Regional Hospital for their involvement in this endeavor. She further stated this is very important as some may not believe it, but parents have the most influence with their children. She stated for those parents that are talking to their kids about the risks of drugs and alcohol and developing relationships with their kids are 50% less likely to go down a wrong path. With the efforts of the SAU office parenting classes are being offered.

Police Chief Goldstein recognized Detective/Sgt. Ralph Hale who later this month will be recognized by the New York State Police for his assistance in a homicide investigation which involved some people from Franklin, Hill and Danbury.

Mr. Andrew Hosmer candidate for the District 7, U.S. Senate which includes the City of Franklin addressed the Mayor and Council stating he lives in Laconia where he and his wife are raising their four children and is involved in his business Auto Serve for the past 17 years and prior to that he was an Assistant District Attorney and Prosecutor in Massachusetts. He stated he wanted to introduce himself and hopes that he will be the next Senator for District 7 and have an opportunity to work with everyone on the economy and general family concerns.

Mr. Leigh Webb, resident reminded everyone of events that are coming up at the end of October. One is Odell Park After Dark to celebrate Halloween, Saturday October 27th and then on October 26th there is a fund raiser at the Opera House for Footlight Theatre, Tales from Tales Part II.

City Council Acknowledgements

None

Mayor's Update

Mayor Merrifield commented that he still has not received all the Manager's evaluations and he stated he would like to have all the evaluations prior to going over the review with the Manager. The Mayor announced on October 27th at 1:00 p.m. Roger Martin Field will be rededicated located behind Franklin High School. October 13th is the day for the dedication of the Water Treatment Facility; it will be an open house from 9:00 a.m. to noon, however the dedication ceremony will take place at 11:00 a.m.

Approval of Minutes

Motion made by Councilor Feener that the Franklin City Council approves the minutes of the September 10, 2012 City Council Meeting, motion seconded by Councilor Trudel. All in favor; minutes approved.

Proclamation declaring October as "Parent Involvement in Education Month"

Mayor Merrifield read the Proclamation and a copy of the proclamation is attached to these minutes.

School Board Report

School Board Member Keith Lohmann stated they still do not have the SIG dollars and the Afterschool Program will be ready to go on September 17th and he stated the Rec. Center was suppose to notify the schools by September 14th with the number of students. He stated the school has partnered up with Plymouth State University to hold courses here in the school system for the teachers and have also acquired a cost per credit which is about 1/3 of the normal tuition cost. Special Ed Department has been very busy, there have been 6 students move into the district and one was placed by the courts and another one requiring an out of district placement, and four that require support of paraprofessionals which looks like the school will have to hire two additional paraprofessionals to cover the special education costs. The Middle School held a book fair September 18th – 27th and Open House was September 19th and Parent Night will be October 10th. All grades at the High School started August 27th. The block scheduling is going well with the longer class periods. Alternative Education Program, a program at the High School has been developed to address those students that tend not to thrive in a traditional program. NECAP prep is taking place throughout the district. Paul Smith NECAP prep is ongoing for the 3rd and 4th grades and that testing is October 4th through the 15th. Mr. Lohmann advised that enrollment is down this year: Paul Smith is down 3 students from last year; Middle School is down 12 and the High School is down 37 for a total of down 52 from last year.

Councilor Feener advised a Joint Finance Committee meeting will be scheduled either October 9th or the 15th and items on the agenda will have to do with the audit and as of today the outstanding items for the audit are those that come from the school district. Concerning the FY11 audit, the district has not provided information to the auditor to begin the audit but it is understood that the books are complete and that information will be provided this week. FY12 audit still open, the City cannot head forward until the FY11 audit is closed, the municipal departments have all submitted their information but we are still waiting for the school district FY12 information so the FY12 audit can begin. The OPEB data collection for the actuary, the City is done, the school is not done. The DRA filing for the 2012 tax rate, the school district has not submitted their information yet but hopefully that will be done next week. The purpose of the Joint Finance

Committee meeting is to follow up on these issues and the information is needed from the school and hopefully the information needed will be received very soon.

Update concerning proposed renovations to the Odell Park Cottage

Resident Leigh Webb commented in your packet is a copy of George LaBonte's report and a response to his report which Mr. Webb drafted which states that the \$500 that has been appropriated as a line item in the current operating budget plus the \$250 subject to vote by the members of the Historical Society could be used to buy materials and the labor would all be donated by volunteers. He stated he would be happy to spear-head this effort; he advised he was up on the roof of the front porch to see what material was up there and what could actually be replaced. He advised there is not much of a pitch to the roof so depending on availability and cost of materials it could be done fairly cheaply with just EPDM rubber which would create a waterproof membrane and would last for several years. Councilor Desrochers asked if a price for the rubber roof was known and Mr. Webb responded that he has some pieces of EPDM rubber leftover from work at his house that he would donate, removal of the old material would be at no cost, the debris and old material since it is a City building could be removed at no cost at the Transfer Station, the shingles are asphalt. There is only one section of the roof that is actively leaking and because now we are into the end of an effective time to deal with construction issues if this work by volunteers were to be accepted by the Council, Mr. Webb stated he would be willing to go up and scrape materials off where the roof is leaking and put a temporary patch to get us through this season until next spring when the whole problem can be attacked. Councilor Desrochers stated he strongly recommends a rubber roof. Mr. Webb stated he agrees because there is very little pitch to the roof. Mr. Webb stated his proposal is not to cost the City any more money than has been proposed which is the \$500 for routine maintenance. He stated he has priced at Lowes and Home Depot some of the raw materials and the lumber that would be needed and he stated he also has some scraps from his house that he would donate. He stated it is something that is doable and if more material is needed he is willing along with help from Councilor Dzujna to approach Lowes and/or Home Depot or

both to possibly get some of the materials donated. There are many who are willing to be a part of this project, it is just a material of acquiring the materials. Mayor Merrifield asked the money that Mr. Webb has identified in the budget, is that not used for electricity. Director Milner advised in the budget there are several lines for Odell, one is for heat, one is for electricity and the \$500 is for miscellaneous maintenance. The total Odell budget is \$2,900.

Manager Dragon stated unfortunately Director Sullivan is not in attendance this evening as he is on vacation and she stated typically with a topic like this there is a recommendation from staff with a suggested motion; there is no recommendation at this time or a suggested motion because staff has not reviewed the report and has not made a recommendation. Therefore, Manager Dragon recommended that we hold off until the staff has reviewed Mr. Webb's report. Mr. Webb stated he has probably not read the proposal but he did walk the building with him and is keenly aware of the issues. Manager Dragon stated she is hoping to schedule a workshop with the City Council for sometime this month and perhaps it could be discussed at the workshop and this would give Director Sullivan time to review the proposal and bring forth a recommended motion to the City Council. Councilor Dzujna inquired if the railings need to be taken care of right away. Mr. Webb asked if Councilor Dzujna is referring to the railings on the stairs and he responded yes. Mr. Webb replied those railings could be taken care of very quickly and is not a big deal. Mr. Webb stated if given permission he could do the railings now as it is just a matter of purchasing some 2 x 4s. The Council was in agreement to take this issue up at the workshop meeting.

LRGHealthcare Amendment to Lease Agreement

***Motion made by Councilor Feener that the Franklin City Council authorize the City Manager to execute the proposed amendment to the lease agreement with LRGHealthcare for a sign lease originally entered into on December 31, 1984.
Motion seconded by Councilor Desrochers.***

Councilor Clarenbach abstained because he is on the Board of Trustees.

Manager Dragon advised this is a sign that is already in existence, it is an agreement that was created back in 1984 and because of some regulatory requirements with mortgaging or financing they need to make an amendment to the lease and this amendment has been reviewed by the City Attorney and he had no issues with the amendment.

All in favor, motion passes.

Agreement with LRGHealthcare for Maintenance and Programming of the Fire Department's Sigma IV Pumps

Motion made by Councilor Trudel that the Franklin City Council authorize the City's Fire Chief to sign the said agreement with LRGHealthcare for the maintenance and programming of the Sigma IV Pumps, motion seconded by Councilor Starkweather.

Councilor Clarenbach abstained.

Chief LaChapelle advised that this is somewhat a housekeeping item and part of the relationship building with LRGHealthcare. In the fall of 2011 they agreed to bulk purchasing of the Sigma IV pumps, which is a \$6,200 purchase for two pumps, one per ambulance. It is much cheaper to buy them through the hospital. It was learned recently after struggling with the programming of the pumps, the generalized library had been used; the drug library that was provided by Sigma and an urgent letter was sent stating that library cannot be used. Working with the hospital an agreement was developed for the hospital to purchase the software and to build the library for the medications that would be administered through the pump. They also agreed in this memorandum of understanding that they will maintain the pumps at no charge. Chief LaChapelle advised the agreement was prepared by LRGH Legal Department and has been reviewed by the City Attorney.

All in favor, motion passes.

City Council Presence required at Elections

City Clerk Burbank advised that the Attorney General's office has come and inspected the City's elections and they will be doing that more often for State or any general elections/federal elections. Ward I was cited at the January Presidential primary for non-compliance of Item 10 (Election Officials Present) on the NH Attorney General's Office Polling Place Checklist and it states this must be corrected prior to the next election. It is considered an Open Meeting and two selectmen are required to be in attendance. If you come to the election Councilors would become election officials and can assist in any way the Moderator would deem necessary. Mayor Merrifield inquired if the City Attorney agrees with this interpretation of the Constitution and City Clerk Burbank responded that she has not spoken with the City Attorney on this issue. She advised that she has spoken with the Assistant Attorney General and they have advised that they agree the Councilors should be at the elections. City Clerk Burbank stated that unless there is something in the City Code you fall back on the State Law. Mayor Merrifield asked what would happen if you don't abide and City Clerk Burbank stated she does not know although you could be placed on probation but after that she stated she does know what would happen. Councilor Boyd commented that some Councilors could be working and not able to get off from work and he also requested that Attorney Fitzgerald review this stated requirement. Councilor Starkweather asked if it is correct that a Councilor running for office cannot be inside the polling place and City Clerk Burbank responded that is not correct, they cannot handle a marked ballot. Councilor Starkweather stated then the Attorney General's Office is saying they want two Councilors at each polling place during the voting hours and City Clerk Burbank responded that is correct and the Councilors can be outside or inside the rail or outside the rail in the building but you cannot handle marked ballots. Councilor Cournoyer commented for people that work it imposes a hardship. Mayor Merrifield inquired if he could substitute for one of the councilors. City Clerk Burbank responded she does not know. Councilor Dzujna asked if a Councilor

from one ward could sit in at another ward and City Clerk Burbank responded she does not think so. City Clerk Burbank stated she would contact the City Attorney tomorrow concerning this issue and Councilor Feener commented it would be good to have a response for the workshop meeting.

Scheduling of a Workshop Meeting

City Manager Dragon advised the City currently has a Tax Increment Financing Plan for the Industrial Park; however, value has not been accumulated in this TIF District. The City is about to see some increased value with the addition to the Webster Value Plant and in response to that Director Lewis has prepared some revision to the TIF documents and since we are having some changes to the Industrial Drive in order to work together with what is happening to the infrastructure in that area. It seems now is the time to make some revisions to the TIF Plan for the Industrial Park before those values become taxable. We need to have discussions with the City Council about these revisions. In addition, there has been discussion about creating additional incentives for the Downtown area to encourage them to invest in their businesses. One of the options that has been discussed is the adoption of RSA 79-E and at the workshop discussion would be held on the pros and cons of adopting the provisions of RSA 79-E. Both of these tools would require a public hearing so if this is something the Council is in favor of doing, a public hearing could be scheduled, get public comment and go through the process. The goal would be to schedule a public hearing for October so the timeline for the TIF revisions before the new values take place.

A workshop meeting was agreed upon for Monday, October 15, 2012 at 6:30 p.m.

Other Business

Committee Reports

Councilor Trudel advised the School Liaison Committee meet on September 13th and on the second page of the minutes there is something that needs to be clarified so corrected copies of the minutes will be distributed.

City Manager's Update

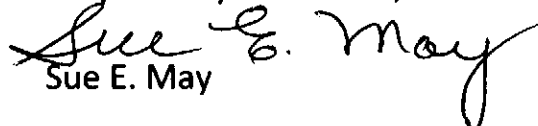
Manager Dragon stated there were no additional funds in the contingency grant line this month. Deputy Goodearl has been holding safety review meetings with all the departments and it has been very informative training and a meeting location was established in case of evacuation of the building is necessary and everyone is to meet in front of the library. The Celebrity Waiter Dinner was a great success which is the biggest fund raiser of the year for the Opera House. The Firemen's Memorial will be held at the Fire Department on October 7, 2012 at 8:00 a.m. and the Fire Department Open House is October 10th beginning at 6:30 p.m. Manager Dragon reminded everyone Canvas of the Votes will be this Friday October 5, 2012 at 5:30 p.m. She informed the Council she had just attended an FBIDC meeting and they are working on a grant similar to the one they did for the Regal sign where they apply for tax credits, this grant would be to do new Welcome to Franklin signs. She passed out copies to the Council as to what the signs might look like. Manager Dragon thanked Chief Goldstein in participating in another successful drug take back. Councilor Desrochers stated for those that may not know, the Welcome to Franklin signs were an Eagle Scout Project ten years ago.

Appointment to the Zoning Board

Motion made by Councilor Clarenbach that the Franklin City Council appoint Sandra Hodgdon as an Alternate to the Zoning Board of Adjustment. Term of Service to January, 2015. Motion seconded by Councilor Cournoyer. All in favor, motion passes.

Motion to adjourn made by Councilor Clarenbach, seconded by Councilor Boyd. All in favor, meeting adjourned at 7:10 p.m.

Respectfully submitted,


Sue E. May

PROCLAMATION

By the
City of Franklin

Be it hereby known that I,
Ken Merrifield,
Mayor of the City of Franklin, New Hampshire, declare October as
Parent Involvement in Education Month

Whereas, Parents are children's first and most influential teachers and have high hopes and dreams for their children's future; and

Whereas, The most accurate predictor of student achievement in school is the extent to which their families are able to create a home environment that encourages learning and become involved in their children's education in both school and the community; and

Whereas, The importance of parent involvement in education requires not only recognition, but a firm commitment in our policies and frameworks;

Now, therefore, I Ken Merrifield, Mayor of the City of Franklin, do hereby proclaim OCTOBER 2011 as PARENT INVOLVEMENT IN EDUCATION MONTH, and encourage all citizens to recognize parents for their involvement and commitment to educating children.



Ken Merrifield
Mayor

**CITY COUNCIL MEETING
CANVAS THE VOTES
OCTOBER 5, 2012**

Call to Order

Mayor Merrifield called the meeting to order at 5:30 p.m. in the Council Chambers, Franklin City Hall. Salute to the Flag was said led by Councilor Dzujna.

In Attendance

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

Canvas the Votes

Motion made by Councilor Trudel that the Franklin City Council accepts the return of votes from the October 2, 2012 City Election and declares the following elected, motion seconded by Councilor Feener.

Councilor Trudel read the following:

Ward I

Councilor 3 years – Bob Sharon

School Board 3 years – Brian S. Boynton

School Board 1 year – Karen Grzelak

Moderator 2 years – Wendy Griffith

Ward Clerk 2 years – Joan Hinds

Supervisor of the Checklist 6 years – Nita E. Tomaszewski

Ward II

Councilor 3 years – Glen J. Feener

School board 3 years – Tamara Feener (write-in)

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Moderator 2 years – Tamara “Tam” Feener
Ward Clerk 2 years – Deborah A. Bowers
Supervisor of the Checklist 6 years – Carol H. Edmunds
Supervisor of the Checklist 2 years – Paul Jenson

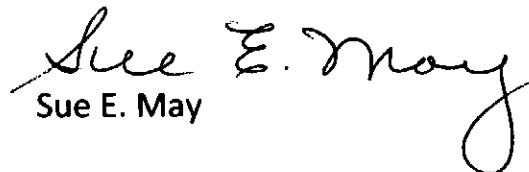
Ward III

Councilor 3 years – Scott R. Clarenbach
School Board 3 years Peter M. Heath
Moderator 2 years - Cameron Mark Temple
Ward Clerk 2 years – Meri-lynn Banton
Supervisor of the Checklist 6 years – Sandra Flanagan

Motion made by Councilor Clarenbach that Brian S. Boynton be appointed to fill the School Board vacancy in Ward I until he is sworn into office in January, 2013. Motion seconded by Councilor Starkweather. All in favor, motion passes.

Motion to adjourn made by Councilor Clarenbach, seconded by Councilor Sharon. All in favor, meeting adjourned at 5:40 p.m.

Respectfully submitted,


Sue E. May

**CITY COUNCIL WORKSHOP MEETING
OCTOBER 15, 2012**

Call to Order

Mayor Merrifield called the meeting to order at 6:30 p.m. in the Council Chambers, Franklin City Hall. Salute to the Flag was said.

In Attendance

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

Absent

Councilor Clarenbach and Councilor Boyd.

A moment of silence was held in honor of Buzz Clarenbach (Councilor Scott Clarenbach Father) who had passed away.

Proposed Revisions to the Industrial Park TIF Plan

Planning and Zoning Director Dick Lewis passed out a memorandum summarizing the issues of the TIF District and the proposed Downtown Tax Incentive Program. A copy of that memo is attached to these minutes.

Mr. Lewis advised the Industrial Park TIF District was adopted in 2002 was a bit smaller than the proposed district and focused on the land which is referred to as the Industrial Park. This plan expands some since the 2002 adoption, some land extending from the Industrial Park down to and past Punch Brook Road was rezoned from Conservation to Industrial and the proposed plan includes this land. He stated there are some industrially zoned properties that are currently residential that have been pulled out but he stated these properties will probably always remain residential. Mr. Lewis asked if anyone had any questions as to what a TIF District is or how it works. Councilor Desrochers stated he understands that a TIF District is money that is put aside, that is a separate fund. Mr. Lewis

responded if the Council was to adopt this new TIF for the Industrial Park area prior to April 1 of 2013, then the April 1, 2012 values that are on the books now would become what are referred to as the base value. For each subsequent tax year after that, if there is added value to the overall TIF District, then that differential is what is referred to as the captured tax value. That added value is put aside for some portion of it is put aside and put into a dedicated TIF fund to be used for the improvements that are outlined in the TIF or other related improvements that would at the discretion of the Council. Manager Dragon stated and concerning the value, the Council has the ability to set a percentage; it does not have to be 100% of the new value; it could be a percentage. The way it is being proposed is 50% of the new value; therefore, 50% would go as it always does to the general fund for general expenditures and 50% would stay for improvements under the TIF plan for that area. There is also an option if there would be concern about getting to the end of the budget year and not being able to balance the budget and wanting to access that percentage, there is language Mr. Lewis has included in the plan to be able to do that but there are pros and cons to doing that and that would be a decision the Council would make. Mr. Lewis stated that since the adoption of the TIF in 2002, none of the value has ever been set aside and due to the declining economy some value has been lost. Mr. Lewis stated Webster Valve has a building permit and is beginning between 3 and 4 million dollar improvements to their facility and with that project underway it is an excellent time to capture some value. Big Kat Coffee has come into the Industrial Park, there is one new building in the park on Commerce Drive, FBIDC still has land in the park; the Polyclad building is under consideration for purchase and they have some back land so there are some development possibilities which will benefit the City in the future. The sooner value is captured, the better.

Improvements under the TIF Plan would focus on some roadway/stormwater improvements. The road is beginning to break up, there have been complaints from some of the property owners about the ledge is cropping up or depressions in the road, shoulder erosion is taking place and with DOT doing improvements to South Main and the intersection of Industrial Park Drive, it would be a good time to consider blending some of the City's work in with DOT and get the entire

roadway in a better condition. It might be possible to get the same contractor as DOT if the City positions itself at the right time which might present some cost savings. Councilor Desrochers inquired the improvements listed in the Plan (A. B. C. D. E. on Page 5) what are the construction costs for these items. Mr. Lewis pointed out at the end of the draft Appendix C shows the cost estimates and the total is approximately \$140,000 which is less than was anticipated. Commerce Drive in the Industrial Park is fairly new and is in good shape as well as the road at the top of the hill going down to Commerce Drive. The entrance area is what really needs some improvements.

Mr. Lewis stated establishing a new TIP District for the Industrial Park would be a two-part process. First would be the scheduling of a public hearing and once the public hearing is set, then copies of the TIP Plan go out to the School Boards and the County Commissioners. At the public hearing they have an opportunity to ask questions, make comments, they can provide input concerning changes or modifications and once the public hearing has been accomplished, at the next Council meeting, adoption of the plan could be considered.

Mayor Merrifield asked if the reason the School and County have to be notified of this new proposed plan is because they are impacted by the plan. Mr. Lewis stated that is correct. Manager Dragon commented this proposed TIF plan does not represent a huge amount of money, typically TIF plans they are for a million dollars or a large number that you are trying to bond over a number of years and use the increased increments on the assessed value to fund the bond payment. Manager Dragon stated how do you increase and encourage economic development if you are not spending it back in the area in which it is being invested.

Mr. Lewis stated it is a two meeting process, and it is not critical that this process starts tomorrow but the critical issue is to adopt the plan at the March, 2013 meeting, it cannot wait to the April meeting as the added value would be lost.

Councilor Trudel clarified a certain percentage of the tax revenues generated under the TIF plan goes into the general fund and certain percentage goes into providing infrastructure updates just to the TIP District or can these funds be allocated somewhere else. Mr. Lewis responded just to the defined district.

Councilor Trudel asked if the funds are not spent in a given year, what happens to them?

Mr. Lewis stated if they are not spent after perhaps a 3 to 4 year period of time, the Council could make a determination that the TIF District is to be rescinded and any of the funds would be returned to the general fund. Manager Dragon stated that another option would be to amend the plan to add more projects. Councilor Feener stated as he understand it one of the modifications in this plan is to give the City an out clause so that if there is a time the City is in a tough budget we would be able to take more than 50% of the funds from the TIF District. Mr. Lewis responded Item 5 outlines that. Councilor Feener inquired if we are looking to do improvements when are we required to go out for the bonding for the loan. Mr. Lewis stated one of the requirements in the TIF Statue is to have language and bond estimates in case that option is chosen. Councilor Dzujna asked if there are improvements that need to be made in the District, is there a time limit in the plan as to when they have to be accomplished. Mr. Lewis stated there is no requirement in the State Statue for integrating a time/deadline into the language but the City could probably do that if the Council wanted to add some clause stating a deadline and if the improvements have not been accomplished, the Council could take the funds out of the plan and put them into the general fund. Councilor Starkweather inquired if this TIF Plan is adopted does that make the one adopted in 2002 automatically null and void. Mr. Lewis recommended that at the public hearing after public comment that the Council takes a vote to rescind the 2002 plan. Councilor Sharon stated that if too many loopholes are put into the plan, would the businesses moving into the area step out on a limb and do improvements. Mr. Lewis commented that is a very valid point and this plan is focused on a simple project for the beginning. Five or ten years down the road there could some other more costly components to a TIF project that could be incorporated into the plan.

The Council agreed that at the November City Council Meeting they will schedule a public hearing to be held at the December meeting and adopt the plan at the January or February, 2013 meeting.

Mr. Jim Aberg, Director of FBIDC stated he supports this proposed TIF Plan and he commented that having a TIF District is a terrific sales tool. The road as you go up the hill in the Industrial Park, that road is pretty chewed up and people buy with their eyes and getting that road fixed would be a real selling tool because once you get up that road everything is good. Mr. Aberg stated that down the road the sign at the entrance needs to be looked at. The sign is owned by the City, it was paid for with funds from FBIDC, FDI by soliciting funds and some of those tenants that contributed are now gone. He stated the sign is really too small now.

Proposed Downtown Tax Incentive Program

Mr. Lewis this program utilizes RSA 79-E which is a tax relief program. If the City were to adopt this program the incentive created is a property owner would come in, lay out for the Council plans to do certain improvements to a building and a covenant is created, recorded at the registry of deeds outlining the specifics of the work, the provisions, the length of time of the tax relief as granted by the Council which is usually up to 5 years and the differential between the current value and the new value following the completion of the work. Relief can be granted to the property owner for the taxes on the added value. This acts an incentive, a tool to get property owners to do improvements to buildings. There is language in 79-E about the intersection of the provisions of 79-E and the TIF District that the City has in the downtown area. The City Council is not obligated at any time for any project to grant the tax relief and in cases where the Council would view that granting the tax relief would adversely impact the functioning and the goals/objectives of the TIF, then that could be a reason for not granting the tax relief. Mr. Lewis stated property owners and developers are always looking for something that can help them, to support their decision to do certain improvements. There are buildings in the downtown area that could see some improvements and having this program might act as an incentive to get something going. Councilor Feener asked if the tax break would only be on the buildings that are being rehabbed and Mr. Lewis advised that is correct. Mr. Lewis further stated if a building right now is worth \$200,000 and a plan is presented, does the work and the building is now valued at \$300,000, then the

\$100,000 in increased value and the taxes on that \$100,000 would be about \$2,200 and that amount would be forgiven. Mayor Merrifield commented what he likes about this process is it is an application process project by project and the Council can accept or deny. Councilor Feener further stated and it has to be at least 15% increase or \$75,000 increase in value. Mr. Lewis stated that is correct and they would go before the Council and would have to prove their project before the tax relief is granted.

Manager Dragon stated this tool will be more effective than the TIF District for the downtown because this goes directly back to the property owner not to the general district. She stated she can't bring her values backwards, she has a base that is needed to move forward with and costs don't go down. With this program, it is only the new value that they would get a break on so it does not change the base and it is a temporary grant for 5 year or possibly longer if they qualify or it could be less years. She also advised this can be replacement of a building not just repair. There is a section in this RSA that talks about replacement of buildings.

Councilor Feener asked if we are looking to dissolve the TIF District Downtown and adopt RSA 79-E. Mr. Lewis stated that could be something the Council could consider. Councilor Feener commented that this RSA sounds like a good thing and the Downtown TIF District has done nothing for the City. Manager Dragon commented that dissolving the Downtown TIF District might be something to consider and developing a new TIF plan like is being done for the Industrial Park. She stated it is true to date that the TIF Downtown has done nothing for the City but she stated she envisions at some point when the Mill buildings begin to become active it would be beneficial to have a TIF plan in place. Mayor Merrifield stated he feels this is a great statute and one the City should have had a long time ago. Councilor Desrochers commented there is a clause in 79-E that states that if so much money is allowed in tax relief if also have to allow so much in low income housing. Councilor Desrochers also stated that the City needs to improve other areas of the City, not just the downtown area. Councilor Dzujna inquired as to whether there could be both a TIF Plan Downtown and the Tax Relief program.

Manager Dragon stated yes both can be in place. Manager Dragon commented that people judge the City when they drive through downtown and she stated she knows other areas of the City need attention but if a tax incentive for a period of time that can be denied if it is something the Council would feel does not fit into the public benefit would create enough incentive for someone to fix some of these buildings in the downtown which then might spur other development. Manager Dragon advised there is a clause in 79-E that allows for additional years, if it is an affordable housing project you can add more years to it, and that again would be something the Council could do, if you are a community that doesn't need more affordable housing you may not even accept the application. Councilor Feener commented he would hope that some of the property owners take advantage of this to improve their buildings. Councilor Feener asked if the Council can limit the number of years on the tax relief. Mr. Lewis advised 5 years is the number outlined in the statute and there is a provision where 2 years can be added if that is determined to be beneficial, but it could 2, 3, 4 or 5 years which is up to the Council. Mr. Lewis stated the driving criteria for someone to be eligible for tax relief is the public benefit. As part of the hearing process, the City Council would have to make that determination. Councilor Sharon asked if the TIF is left in the downtown which captures a percentage of the increase value, if the tax relief is put in, at the end of the time on the relief, that increase in value will go on the tax roll but is the TIF Plan able to take a percentage of that value and he was advised yes. Mr. Lewis further commented that added value could then be directed towards the TIF, there would be a conflict between the TIF and the tax relief program but it would be for a very short period of time.

Councilor Trudel inquired the number of dollars invested will determine the number of years that they receive tax relief. Manager Dragon stated that is not correct, it is up to the Council as to the number of years. Mr. Lewis commented it also has to be 15% value of the property for a \$500,000 building or more or a minimum of \$75,000 in improvements.

Mr. Lewis stated that the conditions can be formulated by the Council with input from staff and the City Manager. One of the outcomes of an approval by the City Council is the creation of a covenant that would contain the conditions. The covenant is then signed by all parties, recorded at the registry of deed. He stated one thing we would not have with the implementation of this, is the developer starts a project, puts \$100,000 into it but never finishes it.

Motion made by Councilor Desrochers that the Franklin City Council schedule a public hearing on the adoption of 79-E for the November meeting, motion seconded by Councilor Sharon.

Mr. Lewis recommended that the public hearing be set at the November meeting along with the scheduling of a public hearing on the TIF Plan for the Industrial Park and possibly have some cost savings on the advertisement for the hearings. Manager Dragon stated she thought about that also but after listening to everyone tonight she stated she feels it could be confusing to people to hold both public hearings on the same night.

Mr. Lewis stated his office could mail out a Q&A concerning 79-E to all the downtown property owners before the hearing and might get more participation at the hearing.

Councilor Feener commented he agrees with Manager Dragon that it could be an information overload situation and we do not need to rush into adopting 79-E tomorrow. He suggested possibly setting the public hearing for the February, 2013 meeting in order to have the time to get the TIF District for the Industrial Park well underway. Mr. Lewis commented that would allow plenty of time to get a flyer out to the different downtown property owners.

Councilor Desrochers agreed in his motion the date for the public hearing would be February, 2013 instead of November and Councilor Sharon who seconded the motion agreed. All in favor, motion passes.

Odell Cottage Renovation

Manager Dragon advised she has spoken to Director Sullivan and Director Alpers concerning the renovations and the proposal from Leigh Webb and the submittal from George LaBonte. Director Sullivan advised that volunteers are welcomed and always needed. Discussion was held as to whether to move forward with some partial work with the \$750 that Mr. Webb had mentioned or doing the more substantial renovation work that was proposed by George LaBonte in his letter of September 10, 2012. Director Alpers spoke to Mike Mullavey concerning funds available and they are getting ready to do the fishing pier work and have applied for an additional grant and it is felt that they will get the grant and that there would be some excess money and they would be able to buy the materials for the cottage. However, they will know right now about the grant and until the fishing pier is completed and don't want to commit funds until they know for sure they have them. Mr. Donohue, the Boy Scout leader was in favor if there were going to be funds left over of doing the entire project instead of pieces of the project. They are generally saying they prefer to do the entire project minus the architectural plans that were in the first plan proposal because in those plans they were trying to meet historical requirements which we have learned is not required. Now that there is a cost established they feel together they can raise the funds to do the work. They are leaning toward waiting to hear on the grants and then raising the added needed funds for the entire project.

Manager Dragon stated she has been trying to understand the differences between what Mr. LaBonte is saying and what Mr. Webb's proposal is. In Mr. LaBonte's recommendation he talks about stripping the roof and installing a new roof sheaving and completely removing the porch decking, framing, columns and support and install new concrete footings, install new columns. Mr. Webb commented the difference between Mr. LaBonte's approach and mine is Mr. LaBonte's is an overall approach basically demolishing both porches, the front and side porches, and start from scratch. Mr. Webb stated upon inspection of particularly the front porch which is the most visible in terms of damage, is that only some of it is damaged. The underlining floor and other porch boards are

fine. The columns do not need to be replaced; they still have life in them. Mr. Webb stated what he is saying with limited resources and voluntary help it is amazing what can be accomplished with just a few hundred dollars. Mr. Webb stated he feels instead of destroying the whole porch, fix only what needs to be fixed. Mr. Webb commented when you talk about waiting for grant funds from the Odell Park Committee, it should be noted any grant will come with restrictions, as long as they are not Federal funds, it probably would be okay. Mayor Merrifield commented he believes what is being stated is there are additional grant monies that are going to go to the fishing pier and that will free up existing Odell Park monies, so the grant has nothing to do with it. Councilor Feener stated as he understands it with the grant for the pier project, it frees up some funds the Odell Park Committee had designed for the pier project and can now be used for another project. Councilor Starkweather commented with the construction season closing up on us with the on come of winter. Is there something that should be attended to immediately? Mr. Webb responded stated what he would like to see done immediately is at least do a temporary patch to the front porch roof so that damage does not continue and also railings put on the front and side steps. Councilor Starkweather commented railings could probably be an easy fix and Mr. Webb stated if you give me permission he could do that tomorrow. Councilor Starkweather stated if we take care of the things that need to be done immediately, then the people doing fund raising would have the winter to come up with the funds that are needed. Councilor Feener stated it sounds like the railings are a different safety issue that needs to be addressed immediately and the leaky porch roof needs to be done to prevent further damage. If those two things are done, it gives time for the fund raising efforts. Mr. Webb stated there is another item and it is conditional. One of the important issues that needs to be dealt with and it would be better sooner than later is the issue of accumulation of water in the basement. So far it has been fairly dry so it has not been a problem. He stated the one thing he was hoping to do sooner than later is to figure out how to drain the water, what the outlet is for a sump pump and install a sump pump so water does not accumulate. Councilor Sharon inquired if the package states replacing of the porch and Manager Dragon responded yes. Councilor Sharon commented so we are going to patch up and

just keep what we patch or are we going to patch and then tear down. Councilor Sharon stated they are two different plans here and he would like to know which one we are doing. Mr. Webb stated there is a possibility that the existing porch could be salvaged except for the damaged portion. If you are going to commit to tearing down the porch then it is an academic discussion because there is no point in patching the roof if it is going to be torn down as it is only protecting material that is going to be discarded. Councilor Desrochers commented that if it were up to him and the funds could be raised he would put a whole new porch on the cottage and the roof should be rubber not shingles. He stated the back stairs are rarely if ever used and you could put a 2 x 4 across there to keep anyone from using it and replace the railings on the main entrance and won't be expensive but is a must do right now. Councilor Starkweather stated he feels we should try to get the railing done as that is a liability issue. Mayor Merrifield inquired of the City Manager if she needs a motion and Manager Dragon stated he does not that she wanted just a sense of how the Council feels and it would seem if Mr. Webb is willing we would like to have the railing fixed as soon as possible. She stated she does not know what to do about the sump pump as we don't know where to pump the water. Manager Dragon stated the sense of the Council seems to be that we will do minimal and that is necessary for safety reasons or preserving the building with the eye towards raising funds with the Odell Park Committee for more complete renovations. Councilor Sharon commented on the sump pump saying when the building was built the drain went back to the river and once the laws were passed that you could no longer do that, the pipe is probably plugged for that reason.

Update concerning Councilors presence at the polls on Election Days

Manager Dragon advised that the Attorney has reviewed relevant statues and concur with the Attorney General's Office. There does not appear to be any enforcement on this currently, however that does not mean that we shouldn't look at it and address for the future.

Manager Dragon requested that a public hearing be scheduled for the November City Council Meeting for the update on the Tiny Twisters and Headstart grants as required under the CDBG Block Grant, it is required we have a progress public hearing to inform the public on the progress of the project and to accept public comment.

Motion made by Councilor Feener and seconded by Councilor Desrochers that a public hearing be scheduled for Monday, November 5, 2012 in the Council Chambers concerning an update on the Tiny Twisters and Headstart grants and the progress of the project and to also receive public comments. All in favor, motion passes.

Other Business

Councilor Sharon advised that Big Kat Coffee will be holding an Open House on October 23, 2012 from 4:00 p.m. to 7:00 p.m. Councilor Starkweather commented that some of the discussion tonight hinted on enforcement of the codes and if anyone has read the results on the survey from a couple of months ago the City was hit pretty hard on not enforcing the codes and property maintenance and some point in time that problem needs to be tackled. Manager Dragon stated it is the FBIDC survey that they put out a while back and they will be coming in at the November Council Meeting to present the results of that survey, they have an executive summary and also the entire package. She stated overall the City rated very well as did the departments.

Councilor Dzujna inquired about the Brownsfield project; Manager Dragon stated we just submitted a request for proposals for engineers, one has been selected an engineer which is the next step and are working with EPA to finalize that. Once that is complete the engineer will start the work and remediation will begin but a lot won't be happening until spring.

Councilor Feener advised there is a Joint Finance Committee meeting tomorrow night (October 16th) as there are some serious issues with the School. Councilor

Feener stated we have not received the 2011 audit from the school and he stated the project that Mr. Lewis was talking about earlier, he would doubt that anyone would loan us money at this point. Manager Dragon stated her concern is the setting of the tax rate as we have to get in the queue now at DRA which is a new system they have in place and to get into the queue you have to have all documents complete. The City documents have been ready for some time but we still don't have everything from the school so currently we have not even made it into the queue. There are many that are already in the queue so even when the City finally makes it into the queue, who know how long it will be before they get to us because we are already behind a whole bunch of other communities. Another concern is regardless of whether we have set the tax rate or not the county payment (1.6 million) is due which could present a cash flow for the City. Councilor Starkweather, this isn't the first year and a few years ago they misplaced \$80,000, they try to spend money they don't have, and they don't get reports in on time.

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 Trudel – Yes

Councilor Sharon – Yes

Councilor Starkweather – Yes

Councilor Desrochers – Yes

Councilor Dzujna – Yes

Councilor Feener – Yes

The Council took a short break before entering into non-public session at 8:35 p.m. The Council came out of non-public session at 9:05 p.m.

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.

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Roll Call:

Councilor Cournoyer – Yes

Councilor Trudel – Yes

Councilor Sharon – Yes

Councilor Starkweather – Yes

Councilor Desrochers – Yes

Councilor Dzujna – Yes

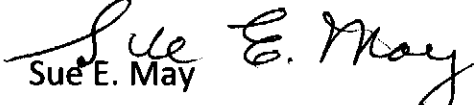
Councilor Feener – Yes

Motion to seal the minutes passes unanimously.

Motion made by Councilor Desrochers and seconded by Councilor Feener to increase the City Manager's salary by 3%. All in favor, motion passes.

Motion to adjourn made by Councilor Feener, seconded by Councilor Dzujna. All in favor; meeting adjourned at 9:10 p.m.

Respectfully submitted,


Sue E. May