

**CITY COUNCIL MEETING**

**AGENDA ITEM VIII**



**CITY OF FRANKLIN**  
**COUNCIL AGENDA REPORT**  
*City Council Meeting April 2013*

**Date:** March 25, 2013  
**From:** Elizabeth Dragon, City Manager  
**Subject:** **Manager's Update**

**Contingency Grant Line Activity:** The City received the following in the contingent grant line this month:

\$75 from boy scouts for Odell Cottage repair  
\$10,611.61 from State of NH for Fire training

**Choose Franklin Business Strolls:** April 4th Choose Franklin will host another business stroll this time to the Franklin Industrial Park. The group will visit Big Kat Coffee, Stencils on Line, McBey Machine LLC, Fastenal, Vitex and Watts Regulator. Everyone is welcome to attend!!! The group meets at 8am at the Franklin City Hall.

**Pay Study-** Pursuant to Franklin City Code § 347-15, The City Manager shall be responsible for making up a uniform and equitable Compensation Plan for the classified service which shall consist of a minimum and maximum rate of pay for each class of position and other in-between rates as he or she considers necessary or equitable. Salary ranges shall be tied to the Classification Plan and will be determined with due regard to ranges of pay for other classes, prevailing rates of pay for comparable work and other public and private employment in the area, suggestions of department heads and other benefits received by employees, the financial policy of the City and other economic considerations. An independent evaluation of the Classification and/or Compensation Plans (salary study) shall be completed periodically as determined by the City Manager. Cost-of-living factors shall be over and above all salary ranges.

The last and most comprehensive wage and classification review was performed by Manager Doyon in 2006. Since that report, the wage and classification has been amended from time to time to add new positions, increase pay ranges for positions, and most frequently for annual cost of living adjustments.

A pay study project was funded in the FY13 budget and has been awarded to Thornton & Associates. We received four responses to our request for proposals (Condrey & Associates, Thornton & Associates, Human Resources Partners LLC & Municipal Resources). The initial kick off meeting was held on Monday March 25<sup>th</sup>. The project is expected to be complete by the end of June 2013. I have included a spreadsheet of communities/organizations selected for the study and information about their demographics. When selecting communities it is important to consider types & quantity of services offered in the comparable community as well as their median income-you should not use population alone. Two private sector organizations are also being considered specifically for the Municipal Services department. The selected organizations

provide a good range of communities. Please review the list and let me know if you have concerns or suggested additions/deletions for the contractor to consider.

**Bessie Rowell Community Center:** The City has been awarded its third CDBG grant for the conversion of the Bessie Rowell School building to our community center. This grant for up to \$450,000 will be used to create a new space for the TRIP center. (Contingent upon funds coming through from HUD). This project has been one of the most creative and rewarding projects that I have had the pleasure to work on.

**Legislature:** It is a busy time in Concord! We have been following several bills this year. Once again the state's budget is of great interest/concern. There have also been several bills potentially impacting the Northern Pass project which has kept us busy. I have included a separate legislative report for your information.

DRAFT (2)									
Comparable Employers									
PUBLIC SECTOR									
	COUNTY	POPULATION	AREA	# HOUSEHOLDS	FAMILY MEDIAN INCOME	TOTAL TAX PER 1000	% POP BELOW POVERTY LEVEL		
Belmont, NH	Belknap	7,371	32.3	2,641	\$62,136	\$24.79	4.3%		
Berlin, NH	Coos	9,945	62.7	5,040	\$52,743	\$40.78	10.3%		
Claremont, NH	Sullivan	13,268	44.6	5,685	\$47,813	\$31.11	13.1%		
Dover, NH	Stafford	30,168	29.0	13,022	\$57,521	\$23.94	7.0%		
Exeter, NH	Rockingham	14,353	20.0	6,527	\$95,435	\$24.60	2.5%		
Franklin, NH	Merrimack	8,486	29.1	3,319	\$60,227	\$21.20	12.0%		
Gifford, NH	Belknap	7,142	53.8	2,766	\$73,511	\$17.32	5.5%		
Goffstown, NH	Hillsborough	17,689	37.5	6,481	\$88,839	\$24.16	1.9%		
Hooksett, NH	Merrimack	13,463	37.5	3,957	\$94,425	\$23.37	1.3%		
Laconia, NH	Belknap	15,986	26.7	9,679	\$65,460	\$19.57	8.3%		
Meredith, NH	Belknap	6,255	64.3	4,918	\$79,125	\$12.62	6.6%		
Newmarket, NH	Rockingham	8,966	14.2	3,379	\$82,980	\$26.23	9.4%		
Plaistow, NH	Rockingham	7,636	10.6	2,871	\$88,839	\$23.22	4.7%		
Rochester, NH	Stafford	29,935	45.9	13,858	\$64,375	\$24.86	9.0%		
Somersworth, NH	Stafford	11,839	10.0	4,970	\$64,759	\$29.04	8.8%		
Tilton, NH (Police & Fire)	Belknap	3,574	12.0	1,822	\$68,207	\$18.51	1.9%		
PRIVATE SECTOR									
R D Edmunds & Sons									
R & D Paving									



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March 25, 2013

Legislative report:

**Northern Pass bills: (oppose)**

See attached legislative report for bills impacting Northern Pass. Particularly concerning are rumored attempts by Rep. Neal Kurk to amend HB 2, the trailer bill to the budget, in the House Finance Committee this week. It is believed he will try to attach a moratorium amendment to the bill addressing wind and electric transmission. Also, Senate bill 99 was amended by the committee to create a moratorium on wind projects only. It's important to speak to senators to make sure that this is not amended in the full senate to include electric transmission projects.

✓ **SB78: (opposed) Re: NHMA (Inexpedient to Legislate)**

This bill attempted to change the governance of the New Hampshire Municipal association by amending a statute that authorized towns/cities to pay dues to NHMA. I testified in opposition to this bill and it was voted *Inexpedient to Legislate* by the Senate on 2/14/13.

**HB178: (opposed) has been amended:**

This bill is another attempt at binding arbitration. NHMA has long opposed mandatory arbitration, not only because of the unfunded mandate issue, but because it is in an unnecessary and costly infringement on the negotiation process. This bill passed the house but was amended to instead require the public employee labor relations board to: post online training for collective bargaining and maintain a record how political subdivisions vote on collective bargaining agreements and provide the legislature with annual report. I am not sure why this bill as amended is really necessary. According to the fiscal note-if passed it would increase expenses of the public labor board by some unknown amount.

**HB 623: (supported) (Inexpedient to Legislate but included as part of governors budget)**

The City council already supported a resolution to restore state aid grants (SAG) funding to municipalities. While we understand the governor's challenge balancing a budget. We feel it is unfair to promise funding support while building a project and then withhold that support after the project is built-which is what happened with the Winnepesaukee River Basin program. The City's sewer users pay 16% of the costs of running the WRBP and 22% of capital. 22% of the \$2.7million dollar project built would mean \$594,000 more that Franklin sewer customers would be required to pay over the life of the loan. HB623 appropriates funds to the department of environmental services for the purpose of funding eligible and completed drinking water, wastewater, and landfill closure projects under the state aid grant program. This bill was voted

inexpedient to legislate-however some funding has been included in the governor's proposed budget and this will be important to follow during the conversations with the budget bill (currently in the house finance committee).

✓ **HB541: (opposed) (Inexpedient to legislate)**

This bill attempts to require anyone with a city charter to elect their City Clerk and require residency. Apparently, the bill's sponsor desires to make this change in the community they represent. However, we would oppose a requirement that all other cities must also do the same. If a community wishes to elect their city clerk they can simply make a charter change in their own community. I spoke in opposition at the hearing-This bill was voted *inexpedient to legislate*.

**NHMA Policy bills:** I have attached a list of NHMA bills from this session and the status of those bills. Some of the bills submitted by various house or senate members were part of the NHMA legislative process. However, some may vary or only meet part of NHMA policy goals. The bills related to a road toll I did not vote to support because the council was split.

**Analysis of State Downshifts: (oppose any)**

This is a budget year and so we will be watching closely for any additional downshifts of costs from the state to municipalities. I was asked to participate in a radio interview at NHPR regarding downshifting back on March 12<sup>th</sup>. Some of my analysis of downshifting and its impact on the Franklin budget to follow:

- In 2010 the State "SUSPENDED" Revenue sharing (\$25 million annually divided among NH cities and towns). In Franklin that is \$138,346 per year since FY09.
- In 2010 the State "SUSPENDED" funeral expenses for the poor which pushed this expense down to the local level. Since 2010 we have had about 7 per year at a cost of \$750 each.
- In the 2010-2011 State budget the State "SUSPENDED" the growth formula for Meals and Rooms. When the meals and rooms tax was first enacted in 1967, the intent was to share the revenue with municipalities, with the state retaining 60% of the revenues generated from the tax and municipalities receiving 40% of those revenues. By freezing the distribution the trend of gradually approaching the 60/40 split as reversed with the funding to municipalities declining to 26% in 2011. If the City of Franklin had been receiving 40% we would have received an additional \$203,359 for FY12 & FY13.
- In 2011 State cut funding to retirement program from 35% to 30% to 25% and then eliminated it all together. However, participation in the State Retirement fund remains mandatory! This increased costs to the City of Franklin by \$18,597 in FY10, \$56,695 in FY11, \$135,000 in FY 12, and \$98,519 in FY13. In the upcoming FY 14 budget costs will increase another \$158,000 for the city and \$178,000 for the school.
- Environmental grants: such as the State Aide Grant (SAG) funding to assist communities with wastewater, public drinking water, and landfill closures projects by funding 20-30% of payments. 124 projects were approved by the SAG program with municipalities moving forward completing these projects. One of these projects includes the Winnepesaukee River Basin program of which the City of Franklin is a participating member. Then in 2008 the state suspended funding for the SAG program leaving communities holding the proverbial bag for the entire project when they had only budgeted for 70-80% of the cost. This program has been suspended every year since. If WRBP doesn't receive funding the costs will be the responsibility of the 8 communities participating in the program (Franklin's share is 22% of capital improvements or 22% of the \$2.7 million in promised funding or \$594,000 for city

sewer customers over the life of the loan. Local governments have historically relied on the states commitment to this funding partnership that was created in 1959 to make these environmental investments at the local level more affordable.

Governor Hassan's proposed budget begins to restore funding for local communities: Fiscal 2015 it provides \$3 million to help for the delayed and deferred water treatment projects and increases meals and rooms distributions to communities by \$5 million. This would be start! However, we have a long way to go before the budget is approved. Suspending revenue that by law is designated to come to cities and towns, in my opinion, is not balancing the state budget-it is simply downshifting the costs to the local level. It is my hope that in this budget cycle we will begin to see these funds start to come back to local communities—Representatives & Senators need to hear from all of you to make that happen!