

City Council Meeting
July 7, 2014

Call to Order

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

In Attendance

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

Absent

Councilor Boyd

Public Hearings

Resolution #01-15 – This resolution relates to the appropriating of the FY15 Budget. Mayor Merrifield opened the public hearing; no one came forth to speak. The public hearing was closed.

Ordinance #01-15 – This ordinance concerns the establishing of a \$5.00 duplicate bill fee. Mayor Merrifield opened the public hearing; no one came forth to speak. The public hearing was closed.

Ordinance #02-15 – This ordinance concerns an increase in the sewer disposal charge per 100 cubic feet from \$6.13 to \$6.27 which is a 2% increase. Mayor Merrifield opened the public hearing; no one came forth to speak. The public hearing was closed.

Ordinance #03-15 – This ordinance concerns an increase in the water commodity charge per 100 cubic feet from \$4.51 to \$5.26 which is a 17% increase. Mayor Merrifield opened the public hearing. Mr. Red Therrian spoke against the water rate increase stating the increase is too high. Mrs. Annette Andreozi suggested the public hearing be postponed because there are a couple of different proposals the Council is going to look at concerning this rate increase and after the public hears those they will be better prepared to speak on the rate increase. She stated, however; she will comment on what she knows and the moving of the water pipe located on Route 3 is going to take most of the reserves presently so this increase is to refill those reserves. She stated she objects to the Water payers paying all the money to move a water pipe that is not for water reasons but is for road reasons. She stated that monies from the TIF for the Industrial Park should partly be used since the road improvements are partially

located at the entrance to the Industrial Park and after using those funds the water payers should only have to pay half and the other half should come out of the General Fund.

No one else came forth to speak; Mayor Merrifield closed the public hearing.

Ordinance #04-15 – This ordinance concerns an increase in the late payment fee concerning delinquent bills from \$5.00 to \$10.00. Mayor Merrifield opened the public hearing; no one came forth to speak, the public hearing was closed.

Ordinance #05-15 – This ordinance increases the Veteran's Tax Credit from \$250 to \$300. Mayor Merrifield opened the public hearing. Mrs. Andreozzi spoke against the increase and stated this increase is not for disabled veterans, it is for veterans of certain time periods who have served in the military, not necessarily in time of war or in a war zone. She stated in her opinion Veteran's Credits should be for those who have been disabled in the service because they do need help. She further stated that for many it was their choice and a job for them when they entered the military.

Comments from the Public

Mrs. Christine Dzujna, Ward I addressed the Mayor and Council and stated she is here tonight representing the Franklin Animal Shelter and she expressed thanks to everyone that helped make their 2014 Annual Road a success. The Shelter's next event will be the annual yard sale on July 26th at the Shelter. She also advised that they are in the final stages of putting together a capital campaign for the upgrade and expansion of the Shelter.

Mr. Bob Stephen, Ward I expressed his concern about the pollution of the Lake so early in the year. He also questioned why the City is using such large trucks to come around and read water meters. He also stated he has a concern that the City has only one mechanic and one manager running the City yard. The City has an aging fleet and they can't keep up with that.

Mrs. Kathy Rago announced that she is running for Senate, Ward I and she stated she will look for ways to jump start the economy. She also stated she respectively disagrees with Mrs. Andreozzi concerning the Veteran's Tax Credit and she stated she has veterans in her family and she does not look at it as a job but a calling and that we owe them the tax credit no matter what.

Legislative Comments

Representative Leigh Webb advised there is only one thing on the legislative docket so there will be one session day before the end of the year. Representative Webb stated he was

contacted by a resident concerning the penalties for not registering their dog. He advised he has talked with City Clerk Burbank about the possibility of in the future listing what the penalties (interest) that would be charged if not paid with the required time limit. Councilor Dzujna inquired about the meeting at the library concerning the traffic pattern on 3A, the speed limit. Representative Webb stated it was an opportunity for people to come and speak on the issue of lowering the speed limit on a section from the Armory down to Fife Farm from 50 mph to 40 mph. He stated it will no doubt not go any further.

City Council Acknowledgement

None

Mayor's Update

Mayor Merrifield commented that last month Ms. Sadie Kaplan at the Council Meeting brought information concerning the boat dock behind the high school and the poor condition it and the road down to dock are in. Mayor Merrifield requested an update for the public concerning this issue. Manager Dragon advised Municipal Services went out and did some repair work to the road but that is not a permanent fix. Also repairs were done to the dock.

Mayor Merrifield thanked all those involved in removing the tattered banners from the Ward I bridge. Mayor Merrifield also stated he has concerns about the condition of the road at Peabody Place. Director Sullivan responded that some patching of pot holes has been done on that road.

Mayor Merrifield stated that he and the City Manager met with the new President of PSNH and the primary topic was Northern Pass and were given a great deal of good news from him about the project. They are shifting their attention from regulatory and legislative efforts to designing and construction efforts and their time line indicates they are about 18 months from beginning the project.

Approval of Minutes

Motion made by Councilor Dzujna that the Franklin City Council approves the minutes of the June 2, 2014 City Council Meeting and the May 20, June 3, and June 10, 2014 City Council Budget Workshop Meetings. Motion seconded by Councilor Desrochers.

Councilor Desrochers advised that on Page 2 of the June 3 minutes the word should be drop ship, not drop shift.

All in favor; minutes approved as corrected.

School Board Report

Chair of the School Board Tam Feener advised the District has a new Superintendent, Mr. Robert McKinney who will be serving for one year with the option to extend another year. The District has applied for a \$424,125 per year grant with the Department of Education which is a 5 year Project Aware Grant. Middle School and High School graduations were very successful. The graduating class received over \$66,000 in scholarships. High School parents were sent a survey to get feedback concerning upcoming accreditation visits. The Class Day Parade was a success and the turnout was outstanding. A joint meeting with the City and School was held on June 24 and the guest speaker was Carl Weber of Primex. Chair Feener advised that it has been recommended that both the School Board and City Council review school buildings and the Liaison Committee with assist with the logistics.

Councilor Dzujna commented that he believes this is on the Federal level but a program is being started for schools that are in need. Teachers always seem to be going to the best schools most likely because they get the best pay. This new program is going to attempt to bring some of these better teachers to schools that are in need.

Utility Easement Documents

Motion made by Councilor Feener that the Franklin City Council authorize the City Manager and City Attorney to execute all easement documents necessary to accept and record a Utility Easement(s) extending from the Franklin Water Treatment Plant to the City Sanitary Sewer System on Tannery Street. Easement grantors include: Charles B. Farmer, Jr.; Helen V. Wallace Trust; MAJ Realty, Inc. and United States Army Corps of Engineers. Motion seconded by Councilor Starkweather.

Councilor Desrochers advised he will vote yes on this motion but wanted to know what the \$25,000 savings will be used for. Director Sullivan advised this year there is \$10,000 in the budget, not \$25,000 towards the removal of residuals if we need it. The hope is that we can get the residuals diluted enough that we can send it down the sewer line and the \$10,000 would not be spent. Moving forward it would reduce the amount of money to be requested unless it is taken up by other operating costs.

All in favor; motion passes.

Resolution #01-15

Motion made by Councilor Feener that the Franklin City Council approves Resolution #01-15, City of Franklin FY14-15 Budget by a roll call vote. Motion seconded by Councilor Cournoyer.

Councilor Clarenbach commented that this is a bare bone operating budget, no monies to fix roads, and no money for capital reserve. Councilor Giunta commented that he has a concern about assuming long-term debt and paying for it with short-term or one-time monies. Manager Dragon stated every year when she looks at the budget as a whole she looks at revenues and with the help of the Finance Director they look at trends and what's happening with motor vehicle permits, what's happening with the State Government, what's happening with meals and rooms and we look at anything that is coming into the City in the upcoming year that is considered a one-time revenue and those are backed out. In her memo when the Manager's budget was presented, there was a list of the one-time revenues and those are backed out and then matched up with one-time expenses. Manager Dragon also advised that \$104,000 this year was moved to capital reserve accounts.

Roll Call:

***Councilor Clarenbach – No
Councilor Cournoyer – Yes
Councilor Desrochers – Yes
Councilor Dzujna – Yes***

***Councilor Feener – Yes
Councilor Giunta – Yes
Councilor Starkweather – Yes
Councilor Barton – Yes***

7 Yes Vote; 1 No Vote, Resolution #01-15 passes.

Ordinance #01-15

Motion made by Councilor Desrochers that the Franklin City Council approves Ordinance #01-15 by a roll call vote; motion seconded by Councilor Feener.

Roll Call:

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

***Councilor Feener – Yes
Councilor Giunta – Yes
Councilor Starkweather – Yes
Councilor Barton – Yes***

Ordinance #01-15 is approved by a unanimous vote to establish a \$5.00 duplicate bill fee.

Ordinance #02-15

Motion made by Councilor Desrochers that the Franklin City Council approves Ordinance #02-15 by a roll call vote; motion seconded by Councilor Feener.

Roll Call:

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

***Councilor Feener – Yes
Councilor Giunta – Yes
Councilor Starkweather – Yes
Councilor Barton – Yes***

Ordinance #02-15 is approved by a unanimous vote to increase the sewer disposal charge per 100 cubic feet from \$6.13 to \$6.27.

Ordinance #03-15

Motion made by Councilor Feener that the Franklin City Council approves Ordinance #03-15 by a roll call vote; motion seconded by Councilor Starkweather.

Councilor Desrochers commented he has received calls expressing their concern over this large of increase in the water rates and he stated he is also concerned as a rental property owner and there is only so much you can charge for rent and there is only so much people can pay for rent and the majority of the people in Franklin are already maxed out. The increase is almost 17% which is a large increase. Councilor Desrochers stated he is in a quandary as the City needs the money for the Water Department and people can't afford to pay more so what do we do. He stated he would like to find something in the middle of the road between what is currently being proposed.

Councilor Giunta commented he realizes things to go up with it is really tough to take a 17% increase all at once. The gas tax just went up and people are outraged about it and it is only a 4.2 cent increase. Councilor Giunta stated he feels it would be good to extend this out three years and we will get closer to Northern Pass. If we extend it out three years it is a smaller percentage per year. He inquired how this could be handled, do we make an amendment to the motion that is on the floor. Mayor Merrifield responded either amend the motion or withdraw it.

Mayor Merrifield advised the Council has a couple of proposals that he asked to have drafted today because he had grave concerns about a 17% water rate increase. He thanked the MSD Committee and the Chair Councilor Clarenbach to attempting to address this large increase

with a second proposal that was presented during the workshop. Mayor Merrifield stated the problem for him is the typical family of four winds up paying the same increase under that proposal. Manager Dragon and Finance Director Milner met with the Mayor to discuss what other options might be viable. Mayor Merrifield advised you have two scenarios before you that make use of retained earnings which is essentially a rainy day fund for undesignated fund balance in the Water Department to lower impact of these rates on the water customers. Councilor Giunta asked in Scenario 2 it would amend the rate increase from \$5.26 to \$4.76 and he asked if that is correct. Mayor Merrifield commented the amount is correct, however; you also need to include all the adjustments listed.

Councilor Feener commented that 17% is a large increase and it would be good if the increase could be spread out over three years. He further stated there has to be some kind of increase as it has been 7 years since an increase.

Councilor Feener proposed that the Council go with Scenario 2 as it makes it a little more palatable to the rate payer. Instead of seeing an increase of .75 cents it would be an increase of approximately .25 cents.

Councilor Feener made the following amendments to the motion on the floor concerning the water rate increase and to the water fund as presented in the Manager's proposal:

***Reduce expense account number 21-0-332-40798-000, capital outlay
To 0 (from \$17,406).***

***Increase revenue account number 21-0-000-39399-000, use of retained earnings
to \$93,820 (from \$0).***

Thus change the rate per 100 cubic feet from \$5.26 as proposed to \$4.76.

Amend Ordinance #03-15, change in municipal water rate from \$5.26 to \$4.76.

***Amend FY15 Budget Resolution #01-15 water appropriations and estimated revenues
from \$1,394,041 to \$1,376,635 and as a result amend total City appropriations and
estimated revenues from \$13,706,596 to \$13,689,190.***

Amendment seconded by Councilor Giunta.

Councilor Clarenbach commented the problem with this amendment is it is taking funds from retained earnings which are like a rainy day fund; this should not be a rainy day and should not be used for a rate increase. The City went 7 years without a rate increase in the water. He also stated if we are going to go for three years we need to add another 3% otherwise we will not stay ahead of inflation. Councilor Dzujna commented his concern is with the retained earnings and possibly not having any on down the road. Mayor Merrifield requested Finance Director Milner advise what the City's retained earnings are right now and Director Milner advised they

are estimated at \$477,000 and 25% of that is the recommended level for the water fund is about \$344,000 so it is approximately \$133,000 additional retained earnings. Mayor Merrifield stated if this amendment were to pass the City would still have the recommended amount in the fund balance in the water system. Director Milner stated for FY15 yes but in FY16 we would need another \$47,000. Councilor Desrochers stated he does not want to see \$93,000 taken from retained earnings. He stated he would rather go with Scenario 1 which would only take out \$65,000 retained earnings. That would be a water rate increase of .27 cents versus .25 cents with Scenario 2.

Councilor Feener called the question; seconded by Councilor Starkweather. All in favor; the discussion ends.

Vote on the Amendment Scenario 2 – 4 Yes Votes 4 No Votes. Mayor Merrifield broke the tie and voted yes. The Amendment passes.

Councilor Dzujna stated that one of the problems is we have a limited amount of water payers in the City. When we find a way to gain more water payers or sell the water the Water Department will be in better shape.

Roll Call on Ordinance #03-15 as Amended:

***Councilor Clarenbach – No
Councilor Cournoyer – Yes
Councilor Desrochers – No
Councilor Dzujna – No***

***Councilor Feener – Yes
Councilor Giunta – Yes
Councilor Starkweather – No
Councilor Barton – Yes***

***4 Yes Vote 4 No Votes Mayor Merrifield broke the tie and voted Yes.
Ordinance #03-15 passes increasing the water rate to \$4.76.***

Mayor Merrifield stated he does not delight in using retained earnings but these are dollars that have already been collected from rate payers. We have a community that is 190 first out of 230 in household income. We already have water rates that are higher than average for the State and the City does not have the income to support it. A lot of the debate over the tax cap as well, the tax cap is simply a reflection of the reality of the community. The City does not have the property to support all the operations that we want and need.

Councilor Giunta stated he was the Administrator of the Drinking Water Program in New Hampshire for four years at the New Hampshire Department of Environmental Services and the most frustrating part of the job is the amount of money we invest into our Drinking Water

Systems to insure our citizens that they have the cleanest and safest drinking water in the entire world and no one drinks the water.

Ordinance #04-15

Motion made by Councilor Feener that the Franklin City Council approves Ordinance #04-15 by a roll call vote; motion seconded by Councilor Desrochers.

Councilor Clarenbach commented that at some point the wording on this ordinance should be clarified, specifically the 4th sentence down "Upon the discretion of the tax collector, overdue accounts will be notified. Manager Dragon advised this can't be done tonight as the same needs to be done in the sewer. This is just one piece of it, so we will come back to correct both the water and the sewer.

Roll Call on Ordinance #04-15

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

***Councilor Feener – Yes
Councilor Giunta – Yes
Councilor Starkweather – Yes
Councilor Barton – Yes***

Ordinance #04-15 passes.

Ordinance #05-15

Motion made by Councilor Desrochers that the Franklin City Council approves Ordinance #05-15 by a roll call vote; motion seconded by Councilor Feener.

Councilor Desrochers commented to qualify for this tax credit you have to have served during a time of combat and those that served from 1959 to 1975 were no a volunteer Army. Talking about disabilities, he mentioned a 20 year old that served in Viet Nam, came home, appears to be a completely normal young man but he wakes up at night with his hands around his wife's neck. Councilor Desrochers stated the point is disabilities don't outwardly show up.

Roll Call on Ordinance #05-15

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

***Councilor Feener – Yes
Councilor Giunta – Yes
Councilor Starkweather – Yes
Councilor Barton – Yes***

Ordinance #05-15 passes.

Pre-Award Authorization to the Municipal Services Director for the Water Department

Motion made by Councilor Clarenbach that the Franklin City Council, pursuant to Article III, Section 4-15, B(3), grant pre-award authorization to the Municipal Services Director to contract for services provided by the following companies:

***E. J. Prescott Company, Concord, New Hampshire
Barrie Miller Well and Pump Company, Antrim, New Hampshire
Electrical Installations, Inc., Moultonboro, New Hampshire
Robert Filters, Inc., Media, Pennsylvania***

Motion seconded by Councilor Starkweather; all in favor, motion passes.

Other Business

Councilor Desrochers commented that the City must put some teeth in the Codes. He stated a report had been made to the Police and Code Enforcement concerning a couple of dogs on the sidewalk and one week later a person was bitten on the sidewalk by one of those dogs. Councilor Desrochers also commented about the stop signs on Freedom Drive and the Intersection of Liberty Avenue as people are not stopping, they just run right through the intersection. He suggest rumble strips at the stop signs and possibly placing signs that say stop ahead and placing reflective strips on the stop signs. Mayor Merrifield commented that should be taken up by the Highway Safety Committee.

Committee Reports – Councilor Dzujna advised that June 17th was the Parks and Rec Committee Meeting and the usage of the Proux Center was discussed. Director Alpers came up with a couple of different options and it appeared the consensus with the Committee was for an Option 3 which was to continue the youth basketball program run at the Recreation Department and Men’s Pickup Basketball. Allow the youth basketball and softball leagues to use the building in the spring until they can get on the field. There is also an organized community basketball league that wants to get back in the building but all of this would be with a fee service. Director Alpers also brought up about blocking off so people can’t get downstairs or upstairs and she will come back with some prices on that. A cleaning service was also discussed to do the parks and some of the out buildings but that was left up to the City Manager and Director Alpers to see which is the best way to go; whether to hire someone or not. Councilor Dzujna advised he was at the School Board meeting and Mr. Edmunds and Tom Charbno from the Girls and Boys Club were in attendance and brought an MOU to the meeting concerning the using of Paul Smith School. Their proposal was rent free, no charge for cleaning

and so forth. The School Board to their credit they directed them to sit down with the Council and School Board members to discuss and determine if that is feasible.

City Manager's Update – Manager Dragon advised in the Contingency Grant Line the City received \$447.70 from Hannaford; \$180.74 from Operation Safe Commute Grant; \$494.47 from DWI/DUI Grant and \$150 from Pizza Chef as a laptop donation.

Manager Dragon stated with regard to the Boys and Girls Club that she had reported in March to the Council some of the challenges that had been encountered with the Club attempting to better coordinate our programming with the Boys and Girls Club so that services are not being duplicating and can bring enhancement to the City instead of competing with one another so that we could bring something to the community that was new. Director Alpers spent time talking to the school, asking what they thought was needed, what wasn't being provided, what could we bring to the City together and all of this was discussed at a meeting with the Boys and Girls Club leadership and unfortunately we left that meeting and everyone felt really good that we were going to work together and work together on the 21st Century Grant with the school and there has not been anything occurring since then. In fact, the first thing we heard was that this item was on the School Board agenda and we heard it from a school board member not from the Boys and Girls Club. While they do not need the City's permission to do what they want to do in the organization; however, it is difficult to coordinate if we are not communicating. Many times we are reading about their plans in the Three Rivers News Letter or hearing from others what is happening with them. Manager Dragon stated she still feels there is a possibility to do something positive with the Club if we can coordinate. She further stated if there are adjustments that need to be made to help them, we can do that.

Councilor Starkweather asked what the outcome of the meeting between the Police Department, Fire Department, Code Enforcement, Prosecutor and City Management was. Manager Dragon stated we did have a meeting with the Code Enforcement, Fire Chief, Police Chief, the Prosecutor, and Attorney Paul Fitzgerald and we tried to create a diagram of the Code Enforcement process (who does what, who is responsible for what) and we tried to look at where the communication was breaking down potentially in some areas and she stated she feels a lot of it is communication. She advised they are looking at some options for software to do a better job at tracking a service request from beginning to end. Since then Fire Chief LaChapelle has done quite a bit of homework in his field and has spoken too his colleagues about what they use in different communities and he has researched some options. She stated it was discussed in the meeting the need to report statistics to the Council.

Non-Public Session

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 by a roll call vote; motion seconded by Councilor Desrochers.

Roll Call:

**Councilor Clarenbach – Yes
Councilor Starkweather – Yes
Councilor Barton – Yes
Councilor Desrochers – Yes**

**Councilor Cournoyer – Yes
Councilor Feener – Yes
Councilor Giunta – Yes
Councilor Dzujna – Yes**

Motion passes; the Council entered into non-public at 7:55 p.m.

Motion made by Councilor Feener to seal the minutes of the non-public session by a roll call vote, because releasing them would make the action taken ineffectual. Motion seconded by Councilor Desrochers.

Roll Call:

**Councilor Clarenbach – Yes
Councilor Starkweather – Yes
Councilor Barton – Yes
Councilor Desrochers – Yes**

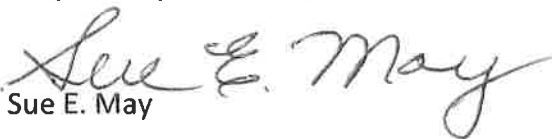
**Councilor Cournoyer – Yes
Councilor Feener – Yes
Councilor Giunta – Yes
Councilor Dzujna – Yes**

All in favor; minutes of the non-public will be sealed.

Motion made by Councilor Feener that the Franklin City Council approves an increase in City Manager Dragon's salary of 2.5% and a 1.5% COLA effective on the Manager's anniversary date; motion seconded by Councilor Desrochers. All in favor, motion passes

Motion to adjourn made by Councilor Desrochers, seconded by Councilor Clarenbach; all in favor, meeting adjourned at 8:35 p.m.

Respectfully submitted,


Sue E. May