

CITY COUNCIL MEETING

AGENDA ITEM I



CITY OF FRANKLIN
COUNCIL AGENDA REPORT

July 7, 2014, City Council Meeting

Subject: Approval of Minutes

Motion: *“I move 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.”*

Mayor calls for a second, discussion and the vote.

**CITY COUNCIL MEETING
JUNE 2, 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 Desrochers.

In Attendance

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

Councilor Desrochers requested a moment of silence in memory of Memorial Day and he commented A Company landed on Normandy and there were 95% casualties; the Army Corp bombing over Germany, 60% of the planes were shot down; the other 40% were all torn up; the U.S. Marines 4th Division landing on Iwo Jima 13,000 casualties.

Comments from the Public

Franklin High School Student Sadie Kaplan addressed the Mayor and Councilor concerning the Public Boat Ramp that is located behind the high school. She advised there are 5 or 6 giant pot holes, it is very tricky to get down to the ramp and she stated she has almost popped a tire going down there. She stated she does not understand how it is a school issue when the City put the boat ramp down there and it brings a bad image to Franklin. She advised the fishing area is all torn up. She stated she estimates a repair would cost maybe \$6,000 to \$9,000.

Choose Franklin

Co-Chair Annette Andreozzi addressed the Mayor and Council that Community Day was very successful and this coming Thursday (June 5th) Finance Director Judie Milner will be the guest speaker at Choose Franklin and will be talking about the City Budget. She stated their next big project is the Candidates Forum on September 29, 2014.

City Council Meeting

June 2, 2014

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Legislative Comments

Representative Webb addressed the Mayor and Council advising that SB370 the flood control compensation bill was killed in the house but was brought up again by the Senate as attached to a House Bill and it has survived and the compromise is instead of both years being forwarded to those communities only one of those years will happen which would be about \$26,000 for Franklin. SB369, the MET which is the Medicaid enhancement tax, it was a tax to the hospitals, they paid the State, the State then got a match from the Federal Government and then reimbursed the hospitals. The reimbursement was stopped in 2011 which caused lawsuits and a hole in the current budget between \$160,000,000 to \$200,000,000. HB1410 a bill Representative Webb sponsored on behalf of Chief Goldstein has survived so far and will be coming to a vote this Wednesday (June 4th).

June 17th, 6 pm there will be a public meeting in the upper level of the Public Library where public comment will be heard from the DOT in reference to reducing the speed limit on Route 3 from the Armory to the Fife Farm from 50 miles per hour to 40 miles per hour.

City Council Acknowledgement

Mayor Merrifield commented how wonderful the show Shrek was that took place at the Opera House this weekend.

Mayor's Update

Mayor Merrifield advised he is still waiting for all the City Manager's evaluation to be returned. He also advised that June 3rd is the Senior Banquet at the High School at the same time the Council will be having a Budget Workshop and he will be delivering the Mayor's Scholarship so he will be late to the Budget Meeting. He appointed Councilor Giunta to run the meeting in his absence.

Approval of Minutes

Motion made by Councilor Dzujna that the Franklin City Council approves the minutes of the May 5, 2014 City Council Meeting and the April 28 and May 13, 2014 City Council Budget Workshop Meetings. Motion seconded by Councilor Cournoyer.

Councilor Feener pointed out that in the May 5th minutes, Page 2 Community Day should be May 10th not May 17th. He further advised that on Page 3 of the May 5th minutes under Legislative Comments the word food should be flood for flood control and lastly the April 28th minutes, Page 1 second sentence from the bottom, the word should be forth and not forty.

All in favor; minutes approved as corrected.

Lakes Region Partnership for Public Health

Ms. Lisa Morris, Agency Director and Ms. Kathy Merriam, CERT Coordinator presented the Mayor and Council with an update on their involvements and activities. This organization was developed in 2005 with a staff of 19 and their budget is approximately one million dollars. They had been serving only the Lakes Region area up until recently when the State of New Hampshire changed the regional makeup of public health so now their region is Belknap County, Franklin, Hill, Danbury and Northfield. She stated public health versus healthcare, they look at population healthcare versus one on one healthcare and they use data to determine the needs of the region are. In the past Caring Coming Network of the Twin River has been the public health agent for Franklin and she advised they now work in partnership with them to serve the Franklin area. They have identified 8 priority areas: Emergency Preparedness; Alcohol and Drug Abuse; Obesity, Diabetes, heart disease and strokes; Access to healthcare; Access to behavioral health service; the functional issues of aging and disability; Consumer navigation of the healthcare system; Social determines of health. A regional public health council has been established and from Franklin Karen Grzelak and Jane White are members of this council.

Ms. Kathy Merriam talked about the Community Emergency Response Team which is a team of 34 volunteers, they have been trained, and their mission is to educate the public about preparedness during disasters and emergencies and to support the first responders.

Manager Dragon inquired now that the regions have changed and the City was very action in the region the City was in before in creating those plans, and now we are rolled into the Lakes Region so is that plan being updated to reflect some of the needs and Ms. Morris responded yes, they are looking at the needs of both regions but as one now. Manager Dragon stated she wants to make sure that Franklin's concerns are incorporated into the plan and asked when they would be updating the plan. Ms. Morris advised they have the plans and they are being reviewed by the Council to come up with a complete plan for the region.

School Board Report

School Board Chair Tam Feener gave the report. June 9th is the Class Day Parade and June 13th is the High School Graduation. May 29th through June 1 the Franklin School District presented the Musical Shrek at the Franklin Opera House and was very well received. June 24th will be the Joint Meeting with the Council and School Board and the guest speaker will be Carl Weber. The next School Board meeting will be August 18th and the guest speaker will be Tom Raffio, CEO and President of Delta Dental.

Primex Loss Mitigation Agreement

Motion made by Councilor Feener that the Franklin City Council adopts Resolution #13-14 Loss Mitigation Agreement with Primex insurance carrier for the City's Worker's Compensation Program. Motion seconded by Councilor Starkweather. All in favor; motion passes.

Renewal of the Central New Hampshire Amateur Radio Club Lease

Motion made by Councilor Desrochers that the Franklin City Council approves the Non-Exclusive Lease for a one-year period beginning July 1, 2014 and ending June 30, 2015 with Central New Hampshire Amateur Radio Club and authorize the City Manager to execute said lease. Motion seconded by Councilor Dzujna. All in favor; motion passes.

NH DOT Proposal for a Forcer Account Agreement and Grant Authorization to the City Manager, regarding the State Funded Improvements to Industrial Park Drive and South Main Street

The motion concerning this project was brought forth at the May 5, 2014 City Council Meeting and then tabled.

Motion made by Councilor Giunta to remove the motion from the table, seconded by Councilor Starkweather. All in favor; motion passes.

Councilor Clarenbach advised that a Municipal Services Committee Meeting was held last week in reference to this project and since Director Sullivan is back he can provide us with comments/additional information concerning this project.

Director Sullivan advised there is a new proposed motion for this project in the revised Council Agenda Report.

Director Sullivan stated this project goes back quite a ways beginning with an intersection improvement project in year 2000, an 80% State 20% City match and the project involved 880 feet of roadway at the intersection and was deferred. Along comes DOT in the 10-year plan 2005-2006 there was a 1.2 million dollar appropriation for a study designated to evaluate a by-pass road on Route 93 to West Franklin and the money was removed from the 10-year plan and City Manager Doyon was able to get that money

reallocated as the State was going to scrap the project. The money was earmarked to be used towards the Intersection Improvements for Industrial Park Drive and Route 3. What has happened since then is DOT has increased the scope of the project from 880 feet to 6,600 feet. In doing so they project a cost of 4.8 million dollars versus \$850,000. Director Sullivan advised he and Mr. Turcotte met with DOT back in February, 2014 and a letter came back to the City requesting relocation of existing water mains. There is a water main in South Main Street, where South Main Street comes off the bridge there is a hydrant and we go all the way down to Holy Cross Road. What they are looking for is to authorize the City Manager to execute a force account agreement. What the agreement does it works similar to what we did on West Bow Street, an appropriation is made out of the City's budget (Fiscal 2016). We give an appropriation to the State, the State manages it, and the City is reimbursed for trenching and backfill. The City is responsible for new pipe and the labor to put the pipe in the ground and any service corrections and the City is responsible for engineering and design.

The estimated cost is approximately \$90,000 to do 12,000 linear feet plus some engineering funds and \$10,000 in non-reimbursable engineering. It is assumed that some of the \$90,000 will be returned to the City once the final numbers are calculated. The options are we don't move forward which could jeopardize the project; we don't go along with the force account agreement and they potentially could deduct the money spent which would not be in our best interest from the State Aid Block Grant money; or just table the project completely and scrap it. There is no match required from the City other than to relocate the City's public utility.

Councilor Barton asked what happens if we just scrap this project. Director Sullivan responded the State has proposed 6,600 linear feet of full depth reconstruction, and the project could be deferred or it could be scraped altogether and there would be no intersection improvements and no full depth reconstruction.

Motion that was brought from the table was defeated.

Motion made by Councilor Giunta that the Franklin City Council accepts the terms of the Forced Account Agreement which addresses obligations of the City of Franklin to participate in the engineering and construction costs associated with the necessary relocation of water mains that are in conflict with the State-funded construction work on Industrial Park Drive and South Main Street. The City Manager is authorized to sign all documents associated with this agreement. Motion seconded by Councilor Clarenbach.

Councilor Desrochers commented so the City will get 4.8 million dollars' worth of roadwork and it will cost the City \$90,000 to relocate the water mains. If we don't do it, the State will pull the plug and Director Sullivan responded potentially yes. Councilor Feener commented that at the last meeting it was discussed where the source of funding would come from and it was mentioned to take it out of the Water Account and it was then brought up why we wouldn't consider doing this under the Highway Department.

Mayor Merrifield commented one thing the State could do is get their money by withholding it from other payments to the City and he stated he does not know if the State views it as a highway project. Director Sullivan stated Hooksett did a very large project with a contribution from the General Fund to the Water Fund. He stated we could go all Water Fund and there is a balance of approximately \$475,000 to \$500,000. Councilor Desrochers commented with the raising of the water rates, he is not sure how the customers will react to the City spending \$90,000 to move water mains for a road that maybe doesn't need to have work done on it. However, he stated he is in favor of the project but stated there are a couple of bonds the City will be paying off and he would rather see that monies used rather than funds from the Water Fund.

Councilor Giunta inquired once they start to dig this is there a possibility of other utility problems. Director Sullivan responded it is strictly water main; there is no sewer or gas main.

All in favor; motion passes.

Other Business

Committee Reports – Councilor Clarenbach advised the Municipal Services Committee met last week and the Forced Account Agreement as well as the water and sewer rates which will be presented in the budget review.

Councilor Giunta, Commissioner to the Lakes Region Planning Commission commented that the Planning Commission often gets Federal Grants and under those grants chooses either consultants, engineering firms, etc. to carry out the conditions of the grant. There was a Brownsfield Grant that Lakes Region Planning received and went through a process of requesting proposals to carry out the Brownsfield assessment work. The RFP was reviewed and the contract was awarded to a company in Maine. He stated this City; the tax payer's dollars support Lakes Region Planning Commission to the tune of \$6,000 per year. He stated he does not think it is right that taxpayers' dollars from the City of Franklin are going to a firm in Vermont. Other firms that had applied for this contract live in this Community (Lakes Region) and he stated with permission he plans to bring this forth at the next Commission Meeting and see if there is a way to grant extra points for New Hampshire companies. He also commented that he recently learned that Lakes Region Planning overspent their annual budget by \$20,000 and they said they would take monies out of the rainy day fund to pay for being in the red. Councilor Giunta asked where is the rainy day money coming from, are they charging the City of Franklin more than they should be.

City Manager's Update

Manager Dragon stated the following has been received in the contingency grant line this month: \$500 from SAMHSA for Drug Task Force Meeting at City Hall; \$1,000 from Wal-Mart for Fire Department; \$5,000 from NH Charitable Foundation for BBall hoops at Bessie Rowell; \$500 from Webster Valve for the Pavilion at Griffin Beach; \$3,024 from the Bow Wow Ball and after expenses a net profit of \$1,435; and \$835.74 from Join the NH Clique Grant. The Mayor's Drug Task Force had a very busy month

with five events in May. They had a booth at Community Day which took in 100 surveys, hosted a lunch and learn on the Youth Risk Behavior Survey and how to use and interpret the data; we held the Bow Wow Ball; a meeting was hosted with US Senator Shaheen, Michael Botticelli, Acting Director of the Office of National Drug Policy and many other substance abuse prevention specialists and partners. Manager Dragon commented that Director Botticelli is the one who determines who receives the grants and it was a real honor for him to come to Franklin and learn about our Drug Task Force.

Manager Dragon also commented that she had a resident come in and had inquired as to what the process was for requesting the City to consider adopting a disability exemption from taxes and wanted to make the Council aware of this request. Manager Dragon explained to the resident that the Council would have a difficult time determining a cost for this and you could be dealing with physical and mental disabilities.

Late Item

Support Staff Contract for Franklin School District

School Board Member Al Warner advised that the School Board has approved the contract. This is a two-year contract and over the two-year period the cost would be \$125,885. Two steps are being added in 2014-15 and one step in 2015-2016 and everyone will go up one step and the increase to the entire salary schedule will be 1.50% per year. Mr. Warner stated the Union has ratified this contract but the School has not signed it until approval from the Council. Councilor Clarenbach inquired as to the number of support staff covered by the contract and Mr. Warner stated he is not sure on the exact number but 17 part-time employees are included in this contract and comment was further made probably 40 or 50.

Motion made by Councilor Feener that the Franklin City Council approves the Support Staff Contract for the Franklin School District. Motion seconded by Councilor Desrochers. All in favor; motion passes.

City Council to enter into Non-Public

Motion made by Councilor Desrochers 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 Feener.

Roll Call:

<i>Councilor Clarenbach – Yes</i>	<i>Councilor Boyd – Yes</i>
<i>Councilor Starkweather – Yes</i>	<i>Councilor Cournoyer – Yes</i>
<i>Councilor Barton – Yes</i>	<i>Councilor Feener – Yes</i>
<i>Councilor Dzujna – Yes</i>	<i>Councilor Giunta – Yes</i>
<i>Councilor Desrochers – Yes</i>	

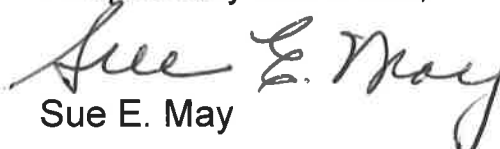
Motion made by Councilor Desrochers that the Franklin City Council seals the minutes of the non-public session by a roll call vote because releasing them would make the action taken ineffectual. Motion seconded by Councilor Feener.

Roll Call:

<i>Councilor Clarenbach – No</i>	<i>Councilor Boyd – Yes</i>
<i>Councilor Starkweather – Yes</i>	<i>Councilor Cournoyer – Yes</i>
<i>Councilor Barton – Yes</i>	<i>Councilor Feener – No</i>
<i>Councilor Dzujna – Yes</i>	<i>Councilor Giunta – Yes</i>
<i>Councilor Desrochers – No</i>	

Motion to adjourn made by Councilor Feener, seconded by Councilor Desrochers. All in favor; meeting adjourned at 7:45 p.m.

Respectfully submitted,


Sue E. May

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

Call to Order

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

In Attendance

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

Absent

Councilor Boyd and Councilor Giunta.

Update on School District's Budget

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

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

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

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

Welfare Department – Section 5, Pages 33 and 34

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

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

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

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

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

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

Library - Section 6, Page 1

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

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

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

General Government – Section 5, Page 1

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

Page 2

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

Page 5 – Finance

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

Page 7 – Data Processing

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

Page 7 – Legal Services

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

Page 10 – Insurance

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

Page 10 – Equipment and Supplies

No questions

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

Section 5 – Page 39, Debt Service

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

Non-Public

Motion made by Councilor Feener that the Franklin City Council enter into non-public session under RSA 91-A: 3, II a the dismissal, promotion or compensation of any public employee. Motion seconded by Councilor Desrochers.

Roll Call:

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

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

All in favor of going into non-public.

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

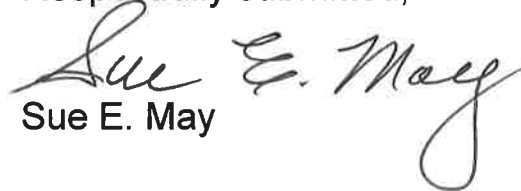
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Page 7

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

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

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

Respectfully submitted,


Sue E. May

City Council Budget Workshop Meeting June 3, 2014

Call to Order

Councilor Giunta 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 Boyd.

In Attendance

Councilor Dzujna, Councilor Giunta, Councilor Desrochers, Councilor Starkweather, Councilor Barton, Councilor Boyd, City Manager Dragon and Mayor Merrifield (arrived late).

Absent

Councilor Clarenbach, Councilor Feener and Councilor Cournoyer.

Police Department – Section 5

Chief Goldstein announced that this is 6th appearance before the Mayor and Council concerning the Police Department Budget. He presented two grafts showing the activities of the department and the logged calls to the department are over 22,000. Arrests were down slightly and Chief Goldstein stated that is primarily because they are seeing a lot more felonies. He stated one thing is troubling to everyone is motor vehicle accidents has risen. He further commented that much of their equipment has reached its end of life stage. Some highlights for 2013 were four new officers were hired, however, one resigned stating the department works too much; currently there is one recruit in the NH Policy Academy and they are in the process of hiring a certified officer with 9 years' experience. The department now has a K9 Unit and the cruiser has been outfitted. The patch on the cruiser was designed specifically for Franklin. They now have a fully trained undercover police officer with the Attorney General's Drug Task. In 2013 24,925 calls were fielded for service and including the 5 communities the department also dispatches for the total calls were 42,477 and there were over 100,000 telephone calls that were answered this past year. There were 2,341 directed patrols; 141 juvenile complaints; 154

domestic disturbances; 30 fights in progress and 15 where shots were fired.

Chief Goldstein thanked the Council for the privilege of servicing as Franklin's Police Chief and for the honor of commanding the best police department in the State of New Hampshire.

Page 11 – Public Safety/Administration

There is still an unfunded part-time secretary position in the department and hopefully sometime in the future we will be able to fund that position. Ammunition costs continue to rise and the drop shift dates are now out to 8 to 12 months so you can order today and won't expect to see the ammunition for about a year.

Page 12 – Police Building

Chief Goldstein advised they are looking to replace some of the flooring.

Page 13 – Police Investigation/Prosecution

Councilor Starkweather inquired Under Professional Services, film purchased went up 200%, and he asked are we still with film or are we going digital? Chief Goldstein responded they are primarily digital but they still use some film for crime scenes. The issues have to do with the fact that digital is still coming into its own and certain courts we know that digital can be altered and there are still policies and procedures being worked out so that won't happen and we know that it takes a lot more work to alter film.

Page 14- Patrol

Chief Goldstein advised their radio equipment is coming close to its end of life. What we have is consider ancient even though it is only about 14 years old, and in 2018 Motorola will stop supporting anything to do with the department's radio equipment. So we must have functioning radio equipment by that time. In the Dispatch Center there are three consoles

and will be working on replacing two which will be about \$32,000 for the furniture that is required in order to do the job correctly. The bay station itself, the radio equipment is another \$28,000. The primary and backup on Pleasant Street is another \$36,000 which includes the Police Department receiver (\$9,000) and the Fire Department also has a receiver up there. On Flaghole Road there is another receiver that is another \$9,000. Councilor Desrochers commented you are looking at about \$50,000 for radio equipment in less than three years and he asked where would that money come from. Chief Goldstein stated he is working on a grant and it is one of the most complex and in depth grants and it takes about a year to complete the grant and submit it. So far this is the only grant that has been found that addresses radio equipment. Councilor Desrochers asked how much the grant pays for and Chief Goldstein commented it paid for the entire Merrimack County which was over \$300,000. Councilor Dzujna asked if the equipment could be purchased piece meal and would it work with the other equipment and Chief Goldstein responded he believes that it can. Councilor Starkweather asked if we have computers in the cruisers and Chief Goldstein advised they use to and then they get beat up and then to replace them, it has not been worth it.

Planning & Zoning – Section 5/Page 8

Director Dick Lewis advised that a large portion of their budget is taken up with wages, social security, etc. He commented the staff development line did go up this and about \$400 of that is going to pay for in-house training for the new tax maps and the on-line mapping services that will be provided and coordinating all of that with the Assessing Department and the Avitar Program. Other Contractual Services for the past 3 years, this line has largely been dedicated to the mapping work and this project that has been coordinated with Municipal Servicers will be wrapped up by the end of June. Membership Dues is primarily for the Lakes Region Planning Commission; Postage, the amount that is spent largely depends on the number of applications that are received. Director Lewis also commented there is a step increase for his Assistant and she will be crossed trained in the Avitar Program and there will be assistance provided to the Assessing Department. Assistant Angie Carey has also provided a lot of assistance to

many departments in the City on computer issues and she is doing an excellent job in keeping the City website up-to-date and working with all the various departments and putting all their information on there and making sure it is formatted properly.

Councilor Giunta asked for the \$6,100 we pay Lakes Region Planning Commission what do we get and in your opinion, is it worth it? Director Lewis stated that there were times in 10 years with the City when he has thought maybe these monies could go somewhere else. Overall, we use them in more ways than we realize. They have generated for the City in various points in time maps that have been used by Planning and Zoning and MSD. They assist the City with the Household Hazardous Waste Collection and he stated some good cooperative bridges have been established through the Brownsfield monies that the City received and was utilized and ultimately resulted in the EPA Grant for the South Main Street Project. One of the properties that have been taken for tax deeding this year (the old Foundry) we have submitted a nomination form that for some Brownsfield assessment money. Director Lewis also stated with the kind of mapping the City is going to have the City should be able to coordinate with Lakes Region to get different kinds of maps that can be used by different departments. He stated that it is important to stay active on a regional level.

Franklin Fire Department – Section 5

Chief LaChapelle stated this past year 2013 has been a real challenge; however, when you look at the numbers out of the 35 communities in the Lakes Region Franklin is the second busiest Fire Department, number one is Laconia with over 3,5000 calls for service. The Franklin Fire Department responded to 1,640 which are emergency incidents. Most of those would be with lights and siren. Chief LaChapelle quoted the Fire Department's Mission State: "Preserve life and property while ensuring our members safety and providing the highest level of service to our customers."

Chief LaChapelle stated they are in constant review of their mission. Because they are spread very thin and continuously spread thin as the year move on. Preservation and quality of the personnel is always been a top priority for the Franklin Fire Department. Solid relationships with their outside partners and internal partners has been the catalyst of what keeps them moving, what keeps them afloat.

Chief LaChapelle stated they are still running 40 strong, 17 full time with 23 on-call. Over 4,000 hours of training last year on and off duty. There was over \$65,000 in grant funds that provided by the Federal Government for training and Chief stated that has greatly increased their capabilities on special rescue.

The department has 37 certified firefighters, 4 paramedics, 15 advanced EMTs and 2 basic EMTs. Chief LaChapelle advised the ambulance alone responded to 807 EMS transports last year, 341 non-transports, 27 cardiac arrests and 5 of those 27 had a return of spontaneous cardiac output in their care; 5 were transported without change, 17 were dead on arrival after EMS efforts were terminated which is well above the national average as far as what they call the save rate; 15 status one patients which is someone that is on the verge of no pulse or not breathing; 101 status two patients that if we walked away in the next 10 minutes they most likely would die; 549 advanced life support transports and 250 basic life supports.

Chief LaChapelle advised that for the past 6 months, five out of 14 full-time personnel have been out for at least 4 months up to 6 months. He stated when he came back from his surgery he and the Deputy sat down and looked at what type of service was provided during that time. The firefighters live within 5 ½ miles of the Fire Station, they came in off-duty, they came in a midnight, they came out all hours of the day when they were off-duty to make sure they provided the same service that has always been provided and there was no lapse in service during that entire 6 months.

Section 5, Page 16 – Public Safety/Fire Administration

State Unemployment Insurance is down 62% and there is an 80% increase in Professional Services. Chief stated they have made great improvements in technology wherein all the computers at the station are linked to one hub and they all talk on the same program. By virtue of grants the department is moving to an iPad platform and iPhone platform. Also in the vehicle is an EMS reporting system so all the work can be done on the iPad and bring it back to the station. Memberships and Dues are down 20%, the disposal office supplies it is being noticed with our technology the office supplies are going down.

Section 5, Page 17 – Fire Station

The Fire Station is 44 years old and there are blocks crumbling on the outside of the building and they will continue to make improvements on the building to preserve the Fire Station. Other Contracted Services has an increase of 8% but in other lines they were able to make that up. Councilor Boyd inquired as to the number of payment that have been made on the ambulance and Chief advised they are on their third payment. Councilor Boyd asked how much was it and Chief advised \$240,000 and 7 payments. They do most of the repairs and all the painting of the building on their own. Councilor Starkweather asked how the testing came out on the sprinkler system. Chief LaChapelle came out great, much better than they had expected.

Section 5, Page 18 – Fire Suppression

The biggest increase is on the overtime for backfill, shift and career personnel.

Section 5, Page 19 – Fire Suppression cont.

Chief LaChapelle advised the department has been able to put themselves in a very good situation concerning protective clothing for the last 3 years and maintaining that clothing. It allows each member to have two sets of

gear. Councilor Starkweather asked what the cost of a set of protective clothing is. The Chief advised pants and cost are \$2,240; boots about \$300; helmet is \$200; gloves are \$79 and most of the personal gear (ropes, knives, wire cutters) they purchase on their own. Councilor Starkweather inquired as to what the CBA is now. Chief responded \$6,650 and the department has 26 and they will have to be replaced by 2017. The air packets that they wear by 2017 they all need to be replaced. They currently have a grant that has been submitted to the Feds and the department is hopeful, they did score very high. The Chief stated that in other communities who are also applying for the grant their air packs already need to be replaced so that is competition for the funds even though Franklin scored very high. Councilor Desrochers commented that the department has a couple of aging engines (30 years old); instead of replacing an entire vehicle could new tanks and pumps in an existing vehicle. Chief LaChapelle responded the two vehicles are a 1988 Mack and 1985 Mack, the 1985 is in very good condition, however, very tired, the pump was rebuilt last year for \$5,000. NFPA has a standard that a fire truck has a shelf life of 20 years and Franklin is at 30 years with two of them. They have been in the CIP for replacement for 9 years. Councilor Starkweather commented that Engine 4, the newest engine was made by a company that has since gone bankrupt and is out of business for the third time since the truck was ordered. The concern is if anything ever happen to the cabin chassis of that engine and also the ladder truck you cannot get parts for them.

Section 5, Page 22 – EMS Rescue/Ambulance Expenditures Offset by Revenue

Chief LaChapelle stated the revenues have increased. Staff Development is down 33% and Chief LaChapelle commented that the City's relationship with LRGHealthcare is very solid. Chief stated Community EMS is coming and it could increase the business with the ambulance three-fold. He further stated Community EMS what it means is EMS goes out into the field and providing EMS care in the home and leaving so there is no transport of the patient. What it does mean is the fact that there should be some

decrease in costs for supplies, wear and tear on the vehicles but there will be higher demands on the personnel. Fuel has gone down as the City has a single source supplier and has been able to get a cheaper rate by signing an annual RFP with Winnisquam, and the City has a new fuel system coming. Machines and Equipment has increased due to the last payment of the defibrillators (\$38,000).

Section 5, Page 23 – Emergency Management

Chief LaChapelle stated the time and energy that is put into emergency management is about 50% of his job. They have worked with the school and assisted in improving the school's safety.

Councilor Starkweather requested the Chief offer information on the Wet Team. Chief LaChapelle stated they are making very good progress. This team started as a regional rescue team with Tilton/Northfield Fire Department and Sanbornton and Belmont. The participation at the State level has increased and now the State is actually using the Franklin program as a State-wide awareness program for water rescue. Franklin provided training to 85 firefighters for the City of Concord and we are moving toward a regional team of the Lakes Region Mutual Fire Aid and have one water rescue team that can respond State-wide.

Chief LaChapelle advised they are very close on working a strong relationship on paper (MOU) with the Town of Andover. We have agreed that their services that they draw from Franklin there is no mutual feeling about it anymore. They draw quite frequently and upward of 30 times a year, they only do 100 runs a year. What has been agreed to on the MOU is they will pay for each incident that they use Franklin. If Franklin were to do all 100 incidences in Andover it would be about \$30,000 per year. There is no intention on the Town of Andover or Franklin to run all 100 calls. Councilor Desrochers asked how much of Andover is Franklin going to cover. Chief responded that it is a fair statement that East Andover is what Franklin will cover because we have shown some concern about covering their entire community.

Councilor Giunta commented that he would like a little further explanation because to him it seems there are so many communities taking advantage of a situation to a point where Franklin is subsidizing them and frankly we cannot subsidize anybody. With some of the numbers that have been mentioned here today as to what will be coming down the pike with radios and fire engines. Chief LaChapelle responded that Councilor Giunta is right on the mark and when we say we are ahead of the curve this MOU that will be brought forward is something that is not out there at this point.

Section 5, Page 20 – Code Enforcement

Councilor Desrochers inquired about the \$89,000 in Wages for the Code Enforcement Captain and a part time officer and he asked how much of the \$89,000 is for the full-time Code Enforcement Officer. Director Milner responded the full-time position would be approximately \$61,500, the part-time is \$27,500. Councilor Desrochers stated there are some major issues in Franklin and the part-time code enforcement officer does not have enough hours and roughly it would cost the City \$14,000 more for ten hours a week because something needs to be done. He stated he filled out forms just today for seven code violations on one street. Councilor Desrochers stated he will not support any kind of project for Central Street because no matter how nice you make downtown just drive down a side street and see the debris, etc. He also stated in addition to giving the part-time code enforcement officer additional hours the City's codes need to be tightened up, put some big teeth in them. Councilor Starkweather stated he agrees 110% with Councilor Desrochers; we have to muster up the political will to get the property maintenance codes so it has some teeth in it. You have people that have 12 unregistered cars in their yard and the ordinance states you are allowed one unregistered, uninspected vehicle, code enforcement goes down and the guy says I'm a collector. The State Planning Code states if you have parts of two or more vehicles it is classified as a junk yard. We have abandoned mobile homes with trees growing through them and been that way for years. Someone changes the use of their property, it goes from a so-called utility company for a junk yard with some vehicles coming and going each day, you can barely see the building from three sides and nothing happens. People say why should I

move to Franklin, it's a dump. You look at some of this property somebody should drop the hammer on them. Manager Dragon commented \$14,000 isn't going to fix it, it won't even make a dent in the problem; it isn't enough to increase to a full-time position unless it is split up some different way. The problem is we have a lot of issues whether it is code enforcement, whether it's drugs, whether it's domestic violence, whether it's the fire department and replacing equipment, we have a lot of issues. Every year we look at all those issues and we try to prioritize with the funds that we have available. This past year we have been focusing on the downtown enhancement of codes and the minutes a letter was sent out concerning that issue Manager Dragon got slammed on it. She advised a junk yard issue has to go to Court. One case could take thousands of dollars and a year or more before you come to a resolution if you go to Superior Court. Mayor Merrifield asked what can the City do without going to Court. Manager Dragon commented we have faith in our ordinances, the problem has been there has been a level expectation in this community and that bar has been set very low and we are trying to raise the bar but we are getting a lot of kickback as we go which is why we had the Council adopt a resolution about enhanced code enforcement because we want the political support. What we are doing right now is tomorrow Manager Dragon has a meeting with Chief LaChapelle, Chief Goldstein, the Prosecutor, the Code Enforcement Officer and Attorney Fitzgerald because we are trying to get a process in place and simplified these things will go to the Prosecutor and he will handle it which will cost a lot less. There is a need to iron out some things with the Prosecutor and Code Enforcement to make sure they are working in conjunction with one another. Mayor Merrifield asked if the two Code Enforcement Officers fine these people as there are limits to the City's enforcement capabilities without going to court. Manager Dragon responded many of things we get solved is by written letter, it is only the people that don't pay any attention are the ones that take the most time. Chief LaChapelle advised that when there is a complaint, the person complaining should fill out a form and that is the first documentation that there is a problem. Code Enforcement goes out into the field and they always look for compliance first, it is very often that generally speaking five out of ten times it is a neighborhood dispute. Manager Dragon stated we are requesting that people fill out the complaint/request for service form

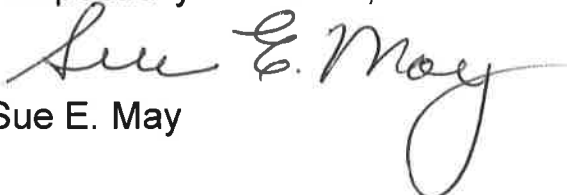
which gives us starting point and this provides a means to track it. Chief LaChapelle commented that we do need to remember that Code Enforcement also does fire inspections, health inspections, plumbing inspections, occupancy inspections; he is the building official and the fire inspector, some communities have three people doing what 1 ½ people do here in Franklin. Councilor Desrochers asked Chief LaChapelle if 10 hours a week make a difference and why do we require a written complaint. If a Code Enforcement Officer drives by and sees this stuff. Chief LaChapelle stated they do have a regular route that they travel and generally speaking the routes are the ones that are the ones most dumped upon. Manager Dragon stated that one of the reasons we use the complaint form is because she stated she gets slammed with you are paying attention to this property but you are not paying attention to this one. Chief LaChapelle stated the one that is complaining needs to make the complaint and that brings success in the Court. Councilor Desrochers asked again would the 10 hours a week make a difference. Chief LaChapelle stated his answer would yes and no. Any extra hours is potentially more that you can do, however, if you want to see immediate results, 10 hours then is probably not enough. Manager Dragon commented there is a couple of problems because he is retired the hours are limited that he can work but perhaps he were to do extra once in while that might work.

Section 5, Page 43 – Assessing

Manager Dragon advised Assessing will stay the same. The bottom line they are down 1%.

Motion to adjourn made by Councilor Barton, seconded by Councilor Starkweather; all in favor, meeting adjourned at 8:15 p.m.

Respectfully submitted,


Sue E. May

**City Council Budget Workshop Meeting
June 10, 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 Starkweather.

In Attendance

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

Absent

Councilor Boyd and Councilor Giunta.

Section 5, Page 35 – Parks and Recreation

Director Alpers stated she will go through the line items that have changed. Professional Development increased by \$100.00; the telephone line increased by 75% due to the Static IP address for the Community Center security system. Equipment Maintenance for software has increased by 43% and she advised she is hoping to do the on-line registration.

Section 5, Page 36

Other Contracted Services increased by 10% to redo the pool tables, they have not been done since the move to the community center and they should be done on a yearly basis. Office supplies has increased and part of that is due to the Drug Task Force using the copy machine as part as the in-kind matching for the grant. Bus rentals have decreased because of the elimination of the one week of the summer program as well as a decrease in the miscellaneous summer program. The operating supplies for the before and after school programs did increase but is still offsetting. Miscellaneous supplies increased as some replacements are going to be needed at Odell Park. Councilor Dzujna asked if having the summer program reduced by one week has hurt the number enrolling and Director

Alpers stated she does not think so, they are about 75% filled with another week to go and many wait until the last minute. Councilor Desrochers inquired how the after school program faired last year, did we break even or make money. Director Alpers stated she has not run those numbers recently but when it was last checked we were making a little bit of money.

Director Alpers advised that concludes her review of the Parks/Recreation budget, however, she wanted to review the memo she had provided the Mayor and Council. She discussed a seasonal beach pass as over the last couple summers the beach attendants have been noting to her that people are asking if the City would consider doing a yearly non-resident beach pass. How it stands right now is the residents do not pay to go to the beach, they get a beach sticker so we know that they are a resident and they are free to go. Right now we charge \$5.00 per car for a non-resident and that is administered by the beach attendants. She stated she contacted some other Rec Departments that have beaches, most everyone besides Sanbornton do not charge anybody. Salem was the only one that did a seasonal pass for residents and non-residents. Director Alpers stated her recommendation would be to keep it the way we have it. She stated we do not make a lot of money off of the passes but we do make some. She did comment that the pros of having a seasonal pass would take a little bit off of the beach attendants because there is only one there and they are going between the two beaches. She also stated if the City were to do a seasonal pass she feels the City would lose out on some revenue and again she recommended it be left the way it is.

The Proulx Center use and as a part of the move to the Community Center, the gym has only been used for the Basketball Program and questions have come up asking if we can let leagues rent it, etc. She advised she has put together two options based on funding. With both options some small renovations using the Revolving Fund money just to enclose the staircases so that anyone coming in can only go into the front lobby and up or down the stairs but would not get into any other rooms. A keypad would be installed like the one at Bessie Rowell and the keypad can be put on a timer so it will open at 8 am for planning and zoning and close at

5 pm, and the door remains locked until an authorized user with a code comes to access the door. Two cameras would be installed in the gym and one in the hallway for additional security in case something breaks when the league are using it or when one of the basketball coaches are using it there will be security measures. We would continue to refinish the floors once each year. All the renovations would be paid for out of the Revolving Fund. We would not be offering user of the facility during planning/zoning; assessing; and FBIDC hours of operations or their meetings. Director Alpers recommended the gym be rented out on an hourly basis and then depending upon the rental requests a staff member should be on site. Currently the building is cleaned by the office staff and then the maintenance person at the community center goes down three days a week for cleaning the common areas and he does the gym during basketball season. For Option One we looked into having the cleaning company do an on-call type basis that if we rented it out on Saturday for two hours that they would come in at the end of the event and clean it. To re-coup those costs for the first hour we have to charge \$55.00 and then after that we would just need to cover utilities and the suppliers so it is recommended a \$10.00 per additional hours. Option Two would be to eliminate the cleaning contract for the beaches and parks which currently we pay Great Northern Cleaning for that service, we would hire a part-time employee to do the Proulx Center, the beaches and the parks and the cost to use the facility would be \$29.00 for the first hour and \$10.00 for any additional hours which covers the two hours of cleaning that would be done by the employee and includes utilities and supplies. Director Alpers recommended Option Two and stated with this option she feels there will be better accountability for the parks and beaches getting cleaned and locked when they are supposed to be cleaned and locked. This would also provide a backup for the maintenance person at Bessie Rowell if they are out sick or on vacation and offers a lower rental rate to the consumers and based on the revenues that would be brought in from the pickup basketball and the Saturday night rental that is currently at the community center which goes into the General Fund and that would offset so we could offer the leagues use at a lower rental rate. Option Two if we had a staff rental it would be \$40/first hour and \$30/per additional hour; unstaffed rental is \$30/first hour and \$20/for additional hour and it is recommended for the

League \$100 per month and also have an agreement if there is any damage done to a light, exit sign or window they would be responsible for that damage.

Councilor Cournoyer suggested it might be a good idea to have the leagues' put down a deposit. Director Alpers asked would this be in addition to the \$100 deposit for supplies and Councilor Cournoyer responded yes.

Councilor Clarenbach commented that his problem is as a community we need to understand who it is we are here to help and who it is here that we need to break even with or who we can money off of. For the men's league over 40 playing basketball he stated he has no problem charging. If we are looking for kids to charge a league fee for a community owned building for Lassie League to practice for 3 weeks because the fields aren't ready does not make sense as they are a volunteer group trying to raise their own money. He further stated we are here to try to give recreation to our youth. Director Alpers stated just to clarify when we ran the numbers for the Option Two; we could offer it free to the leagues and still break even because there is revenue coming in from the men's pickup league and the Saturday night group.

Manager Dragon asked if the leagues are Franklin leagues and Director Alpers responded no. Manager Dragon stated it is important to keep in mind that these are things that are being paid for with Franklin taxpayers and there is also time that is not included in her for Director Alpers to set up codes for the people to have access to the building, to schedule people to be in and out of the building. There are additional costs for that and Manager continued that she agrees that recreation is meant for the youth and the line is to be drawn by who is paying for it and what it is being paid for. She further stated she had the same concern last time we proposed a league fee because it is not entirely Franklin and now the leagues are offering to pay money to use the gym during the off season. She stated having them pay something to cover the cost of using the people is not unreasonable. We are providing the services that we had been providing up at the Bessie Rowell Community Center so we are talking about

expanding use and providing a second recreation facility. Granted the facility is there and is being used for 6 months out of the year for basketball because the community center is not big enough for that program but we are talking about adding another facility, more hours, more staff time and she stated it is important at this juncture to make sure while we are talking about that that we are thinking about the cost and whether or not it is fair to recoup the costs.

Councilor Feener commented he wants clarification; this would be for any league that is going to use the Proulx Center even like Lassie League if go in there to warm up in the spring. Director Alpers commented that is correct. Councilor Starkweather commented on the recommended rates there should be some clarification on the league fee, age limit such as if the members are 18 or 20 or older. Director Alpers commented we could do an Adult and Youth League Fee. Councilor Starkweather also asked if when the staff goes to the beaches, they use the City car and Director Alpers responded that is correct. The Parks and Recreation Department has two hand me down vehicles from the Police Department and one is used by the beach attendants and the SUV is using for changing scoreboards, lights, etc. Manager Dragon stated before the department had these vehicles, the Director was using her own car and reimbursing her for that use and now they are saving funds with the two vehicles for the PD.

Councilor Dzujna commented the Proulx Center is open for basketball leagues that need to be official. Director Alpers responded it is the third through high school basketball and men's pickup. Councilor Dzujna stated and it is for people that need an official court. Director Alpers responded yes official size regulation. Councilor Dzujna this spring people wanted to get in there to hit balls and they still had that opportunity at the community center. Director Alpers stated the older leagues it is pretty tight for them to use Bessie Rowell.

Councilor Feener commented the issue is do we want to have a \$100 fee for the leagues or not. Mayor Merrifield suggested this be taken under advisement by the Council and when they go to make their final adjustments on the budget they will decide on these questions. Councilor

Feener further stated we are talking about fees and that would require a public hearing in order to add them to the fee schedule. Councilor Feener also inquired if the Rec Committee has reviewed this program yet. Director Alpers stated they have not and Councilor Feener recommended this goes to the Rec Committee first and brings back a recommendation to the Council.

Section 7, Page 1 – Parks/Rec Revolving Fund

Director Alpers advised there are no changes to the Revolving Fund except for the Program Fees which was increased by \$2,000 in the hopes of increasing programming from outside instructors. Cheerleading has been zeroed out.

Section 5, Page 9 - General Government-Buildings

Director Sullivan stated three general themes throughout budget, one is the increases in personnel and the related costs; trying to bring some of the expenses more into line with historical expenditures, that is evident when you get into snow and ice control; and third there is no large capital items in the budget but some smaller ones.

City Hall

32% increase and the major increase are attributed to the renovation of the downstairs for the Finance Department and the fire alarm system.

Proulx/Parks/Beaches

2% reduction.

Bessie Rowell Community Center

1% increase mainly attributed to other contractual services with a 5% increase in that line but offset it with reductions in other lines.

Odell Cottage

12% increase, the price of oil is a significant cost, we burn a lot of oil and the Scout s are down there.

Councilor Clarenbach commented the Rowell component is still receiving the improvement, they will get the improvement that were passed or not? Manager Dragon commented we are still hoping as they have been put on hold for a very long time but until we have our financial statements we can't move forward with the project and the school has told us they are done with 2012 but we have not seen anything yet.

Page 12 - Police Building

Increased 14%, which is contributed to other contractual services. There was one water heater that had to be shut off and there is another one that is the same age that will probably take the same path. Budgeted is a larger water heater to replace the two.

Page 17 - Fire Station

9% reduction and that is due to the completion of the security upgrade.

Page 24 – Municipal Services

Administration

5% increase mainly attributed to personnel related costs. Councilor Clarenbach inquired about the 196% increase in Worker's Comp and a 24% decrease. Director Milner stated that overall there is a 24% decrease; however, even the current worker's comp company is reclassifying George Turcotte to a different position not allowing the City to use the lower rate for Mr. Turcotte so it reallocated the worker's comp.

MSD Buildings

13% increase because of the need to replace overhead doors; they are in very poor condition at the main garage.

Page 25 – Highways and Streets

MSD Roadway Maintenance

10% increase and some of that can be related to personnel costs. There is an increase in other contractual services as the need is there for a variety of work, Central Street at the bridge, by McDonalds sections are going to have to be taken out and repair, paving and shoulder work; possibly turning a section of road back to dirt on Chance Pond Road. Councilor Clarenbach stated that some amount of money needs to be put into the roads every year.

Page 26 – Snow/Ice Removal

27% increase, \$3,000 of that can be attributed to the cost of plow blade. The cost of salt and sand has gone up, especially sand and last winter the City experienced a shortage of sand. This line has been increased from \$65,000 last year to \$85,000 this year.

Drainage and Vegetation

5% increase mainly because of other contractual services. There is always work that must be done in drainage.

Traffic and Street Lights

13% increase caused by electricity costs are up 6% and last year Director Sullivan stated they underfunded the other contractual services line which is the line painting and the maintenance of traffic lights.

Page 27 – Mechanical Garage

2% increase overall. A big item of concern is vehicle parts, the age of the equipment and the price increase on vehicle parts.

Page 28 – MSD Buildings and Grounds

3% increase. There are 3 full-time positions and one part-time position in this department who take care of the City buildings and grounds.

Page 29 – Sanitation-Solid Waste Collection

Curbside Collection/Recycling

3% increase attributed mainly to personnel related costs. Director Sullivan advised they are gaining on their equipment lease, we are averaging about 1,000 tons per year recycling; the City's pays \$20 per ton but the City is winning, that coupled with hauling our own demolition we offset our costs by \$9,700 this past year. It is anticipated the costs for demolition disposal and recycling hauling and tipping costs will not change. Demolition costs are recovered through fees.

Page 30 – Sanitation/Solid Waste Disposal

Transfer Station

Councilor Clarenbach stated he feels there needs to be someone out by the gate when you come in the Transfer Station because there are people going to all different stations and the attendants are busy as there are people going wherever they want and some of it is probably supposed to be paid for. Director Sullivan stated on Tuesday and Thursday there are 3 attendants at the Transfer Station.

9% increase in solid waste and some of that is attributed to personnel related costs and some of it can be attributed to tipping. On the tipping it is really the tonnage that is recycled. Right now the City is recycling about

1,000 tons per year and it is about \$20 per ton. Other contractual services the City burning at the Transfer Station a couple of years and the grinding of vegetation is included in this line. 6% increase in sanitation.

Page 31 – Transfer Station

No increase in the budget for the building. Director Sullivan stated they saved a lot of money on oil because the City burns the waste oil.

Section 9, Page 1

Expenses – Sewer Department, Page 2

Director Sullivan stated basically the Sewer Department budget is level funded on the City side, and we would like to take some retained earnings out. The increase on the City side is coming out of retained earnings. Right now we will have at the end of fiscal year 2014 \$834,000 (projected) available in the retained earnings. It is being proposed that we take the retained earnings down by \$145,000 and that would be used to purchase the balance of the meters and the software needed to put the water meter system into automatic read.

External Operations, Page 2

On the State side, the Winnepesaukee River Basin is up 2% which is the increase in cost to the City to operate the program. The City is paying 16% for O and M, 22 1/2 % for Capital based on a formula that was developed back 30 years ago when there was water consumption by the Mills. The plant certainly cleaned up the rivers but was over built; the plant has a capacity of 42 million gallons a day. Mayor Merrifield asked what does the State contribute to the operation of the plant and the answer is nothing. Director Sullivan stated we are looking at a rate increase in the sewer of 2% which is not a significant amount. Director Sullivan advised 10 years ago there was \$60,000 in the Sewer Fund and about \$225,000 in the Water

Fund and that has been built up. Finance Director Milner commented on the sewer side it is anticipated there will be \$887,000 at the end of FY14. What is recommended in an enterprise fund is about 25% of appropriations which would be about \$477,000 so there is about \$400,000 additional retained earnings sitting in the Sewer Fund. When it was looked at it, the Council had generally wanted to do a rate increase for the piece that was outside the control of the City which is the Winnepesaukee River Basin Program which is what this 2% rate increase shows and there are plenty of projects in the Sewer Fund that need to be done. The first project is the water meters using \$145,000 of the retained earnings which will leave about \$255,000 to use for other projects.

Sewer Revenues, Page 1

Director Sullivan stated that water consumption is down, The City has taken about an \$850,000 hit in water consumption and that affects the sewer. The number of vacant buildings and foreclosures has affected the consumption.

Section 10 – Water Fund

Expenditures

Director Sullivan stated what is happening in the Water Department is a rate increase was done in 2007, and that increase supported the \$10.5 million dollar's worth of projects. That helped offset the City's side of the grant and enabled us not to raise the rates; we were offsetting the Water Fund operations by using some of that money from the rate increase. We held the line for 7 years. During that period the operating costs have gone up 3% per year and that was not absorbed over the last 7 years with a rate increase.

Administration for the Water Department, there is a 2% increase and is mostly for personnel related costs and debt service. In Distribution there is an 81% decrease because capital is not included. Water Supply is a 6% decrease. The Water Treatment Facility has an increase of 87% and in the second year of full operation. The electrical had to be increased and other property service which is the annual maintenance of the filtration system.

Chair of the MSD Committee Councilor Clarenbach advised one of the things that is happening in both water and sewer is less usage and as we see less usage we can increase the cubic foot dollar per cubic foot but the problem is with less usage we are not retaining that same amount of money because of the decrease in usage so you would have to increase the cubic foot rate. It was discussed at the MSD Committee Meeting could we actually change the base rate which is a quarterly charge; currently it is \$20.00 per quarter, if the quarterly rate were increased the vacant houses and the people that weren't using much water their rate would go up because they have access to the water more so than how many cubic feet of water and sewer they consumed. The \$20.00 has been \$20.00 for well over 17 years and in the discussion it was said then at least you would capture the number of users which is 2,300 and would see that as a regular amount of money coming in every year and not worry so much about many cubic feet. Councilor Clarenbach stated that is the way it was left at the meeting but what they were not sure of what it would cost a single elderly lady in her home when she is going to get an additional \$40 per year for the quarterly charges versus how much water would she see in an increase. He further stated the large users would make out on this but there are probably only 2 or 3 really large industrial users in the City. The Committee made no decision. Councilor Starkweather commented we are already doing an availability charge. Anybody that has a sprinkler system they have to pay for the availability of water to the sprinkler system whether it is used for not. Director Sullivan commented with all the improvements that have been made and solving the problems in West Franklin we have maintained the rate.

Director Sullivan explained the Water Rate Option recommended by the MSD Committee. We took the \$20.00 quarterly base charge and increased it to \$30.00. The City has 2,314 system users charging \$30 for 4 quarters give additional revenue and brings down the percent of the rate increase. The Committee recommended increasing the base rate charge by \$10.00 and doing a 7.4% increase in the rate from \$4.51 to \$4.84. Director Sullivan advised that for every \$25,000 raised it is a 12 cents on the rate per 100 cubic feet. There are 4 employees in the Water Department and 2 in the Sewer Department. The Treatment Plant is where the long term costs are in the operation of that plant.

Councilor Desrochers inquired if the City gets a commercial electrical rate and he was advised the City does get a commercial rate. Director Sullivan stated concerning the selling of water, based on the rate if we filled 5,000 gallon tankard trucks for filling pools it would be \$1,600 based on the rate but if we added another \$1.00 we could make significant money. Councilor Clarenbach commented he would like to see an average single person usage. Director Sullivan responded for the average water customer .51 cents to .84 cents is a .36 cent increase per 100 cubic feet and if you take that plus the \$10 increase in the quarterly for the average customer \$17.20 per quarter for a family four. Mayor Merrifield commented something that concerns him about this is knowing that when we increased rates in past, people reacted and so we sold less water; we saw sales going down as the price went up. Director Sullivan pointed out the size of the system stating there are 52 miles of pipe, 5 tanks, 3 different pressure zones and only 2,300 customers; it is huge system to support and it is the same thing with the sewer system. Director Milner advised an average family of 4 using the 2400 cubic feet per quarter, the difference would be \$18.00 per quarter and the proposal that was discussed tonight it would be \$17.92 per quarter. Mayor Merrifield asked if the two proposals raise the same amount of money and the response was yes they do. Director Sullivan stated the thing that concerns him is the size of the system and the amount of work.

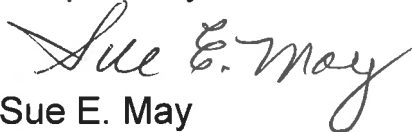
Motion was made by Councilor Feener that the Franklin City Council schedules three consecutive public hearings on July 7, 2014 beginning at 6:05 p.m. regarding an application for a Community

Development Block Grant (CDBG) up to \$500,000 on behalf of New England Family Housing (or a related other entity) for acquisition and/or renovations to the Franklin Woods Apartment Complex on Plans Court. Motion seconded by Councilor Starkweather. All in favor, motion to set public hearing passes.

Motion made by Councilor Feener that the Franklin City Council deed back 5 A Street, Map 083, Lot 02 upon receipt of all back taxes and interest (without 15% penalty). Motion seconded by Councilor Dzujna. 6 Yes Votes 1 No Vote. Motion passes.

Motion to adjourn made by Councilor Feener, seconded by Councilor Clarenbach. All in favor, meeting adjourned at 8:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sue E. May". The signature is written in black ink and is positioned above the printed name.

Sue E. May