

**CITY COUNCIL MEETING**

**AGENDA ITEM I**



**CITY OF FRANKLIN  
COUNCIL AGENDA REPORT**

*June 2, 2014, City Council Meeting*

**Subject:** Approval of Minutes

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**Motion:** *“I move 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.”*

**Mayor calls for a second, discussion and the vote.**

CITY COUNCIL MEETING  
MAY 5, 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 Cournoyer.

**In Attendance**

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

**Absent**

Councilor Boyd

**Public Hearings**

**Ordinance #05-14** – This ordinance is an amendment to Chapter 61, Article 1 (Removal of Municipal Officials) and Article II (Defense & Indemnification). Mayor Merrifield opened the public hearing, no one came forth to speak; the public hearing was closed.

**Ordinance #06-14** – This ordinance would delete Chapter 309-6 Smoking in designed areas of the City Code. Mayor Merrifield opened the public hearing, no one came forth to speak; the public hearing was closed.

**Renewal of Proposed Franchise Agreement with MetroCast** – Mayor Merrifield advised that the agreement the City of Franklin is operating under currently and the proposed agreement are both non-exclusive so it is possible for another cable company to come into Franklin but they would have to purchase or build all the wires. The Mayor further stated that many people believe that the fees that were charged as customers are under the control of this contract and that is not really the case, the fees are regulated. Mayor Merrifield opened the public hearing to the public. Resident Leigh Webb inquired if this agreement gets the City any closer to having live and/or delayed feeds on recording public meetings. Manager

Dragon responded this agreement gets the City in a position to do that in the future but there is still some funding required; this agreement allows for an origination point in City Hall and one at the School and allows for a technology grant which could be used for the equipment and installation of the origination point. In this new agreement the City has the ability to broadcast to Franklin subscribers only for the most part. No one else came forth to speak; the public hearing was closed.

**Resolution #10-14** – This resolution concerns the awarding of a Working Dog Foundation Grant in the amount of \$7,000 to the Franklin Police Department. Mayor Merrifield opened the public hearing; no one came forth to speak; the public hearing was closed.

**79-E Tax Relief** – Under the Mountain, LLC has purchased the property at 354 Central Street, Map 117, Lot 159 formerly known as Northway Bank. They are requesting Tax Relief under Chapter 79-E, Community Revitalization Tax Relief Incentive. Mayor Merrifield advised the term of this agreement would be 5 years and the tax relief is only for the increase in property tax assessment due to improvements of the property. Mayor Merrifield opened the public hearing; no one came forth to speak; the public hearing was closed.

### **Comments from the Public**

Mrs. Christina Dzujna speaking for the Animal Shelter invited everyone to attend the Shelter's first annual 5KRun/Walk beginning at 10:00 a.m. on Sunday, May 25, 2014 at Paul Smith School. The registration fee is \$25.00 until May 19, 2014 and then the fee will increase to \$30.00.

Parks and Recreation Director Alpers reminded everyone that this Saturday, May 17<sup>th</sup> is Community Day in Franklin. The parade begins at 10:00 a.m. at the High School and parade down to O'Dell Park and then the festivities will begin.

Representative Webb commented as a member of Choose Franklin he hopes that all the City's elected officials will participate in the parade.

### **Legislative Comments**

Representative Leigh Webb advised that SB-370 concerning flood reimbursement to those properties that were in flood control properties. For years the State of New Hampshire paid the 70% that other lower states were not paying. And then New Hampshire stopped doing it. There was a settlement and unfortunately the Finance Committee at the House has decided this settlement and put it into the General Fund instead of contributing it to the food control communities. Representative Webb advised that he will be voting against this bill. SB-281 is a wind-turbine energy bill concerning how to site wind-turbines and does have implications in our energy projects such as Northern Pass and he wondered if the Council has any input. It was suggested to speak with Stuart Tracey. Representative Webb advised that May 12 the Merrimack County delegation will be meeting and the increase of salaries for the Sheriff, County Attorney and Register of Deeds will be discussed which would be 1% each year for the next couple of years.

### **City Council Acknowledgement**

Councilor Dzujna thanked Cub School Troop 842 as 10 members and their parents came out to the Library and helped do a spring cleanup around the library. Councilor Dzujna thanked Tim Morrill, Morrill's Landscaping, for putting all the Welcome to Franklin signs back after being redone by the Art Class at the High School. Councilor Dzujna also advised that in the HIPPO magazine which came out with 50 favorite restaurants and one of those named was Franklin's own Ralph and Jo's.

### **Mayor's Update**

Mayor Merrifield stated that due to the number of items on the agenda he would skip his update.

**Approval of Minutes**

***Motion made by Councilor Feener that the Franklin City Council approves the minutes of the April 7, 2014 City Council Meeting; motion seconded by Councilor Clarenbach. Minutes approved; one abstention.***

**School Board Report**

Due to a conflict there was no report.

**Request for Tax Relief under Chapter 79-E**

***Motion made by Councilor Desrochers that the Franklin City Council, based on the findings listed, approve the request for five (5) years of tax relief for the renovations proposed by Under the Mountain, LLC for the property at 354 Central Street with the conditions of approval as outlined, or as may be modified by a vote of the City Council. Motion seconded by Councilor Cournoyer.***

Councilor Feener expressed thanks to the Frost Agency for taking on this endeavor and the improvements that are being made to the building. He further commented he hopes that will be an inspiration to other businesses in the downtown area to make improvements to their buildings.

Councilor Giunta also expressed his thanks to the Frost Agency and hoped the word would be spread that Franklin is a business friendly City willing to make these offerings so that other business will come to Franklin.

***All in favor, motion passes.***

**Ordinance #05-14** – this ordinance concerns changes to Chapter 61, Article I and Article II

**Motion made by Councilor Feener that the Franklin City Council approves Ordinance #05-14 amending Chapter 61 of the Franklin City Code by a roll call vote. Motion seconded by Councilor Desrochers.**

**Roll Call Vote:**

**Councilor Clarenbach – Yes  
Councilor Giunta – Yes  
Councilor Desrochers – Yes  
Councilor Starkweather – Yes  
Councilor Boyd – Absent**

**Councilor Dzujna – Yes  
Councilor Cournoyer – Yes  
Councilor Feener – Yes  
Councilor Barton – Yes**

**All in favor, Ordinance #05-13 passes.**

**Ordinance #06-14** – this ordinance concerns the deletion of Chapter 309-6 Smoking in designed areas of the City Code.

**Motion made by Councilor Feener that the Franklin City Council approves Ordinance #06-14 which deletes Chapter 309-6 of the Franklin City Code by a roll call vote. Motion seconded by Councilor Desrochers.**

**Roll Call Vote:**

**Councilor Clarenbach – Yes  
Councilor Giunta – No  
Councilor Desrochers – Yes  
Councilor Starkweather – Yes  
Councilor Boyd – Absent**

**Councilor Dzujna – Yes  
Councilor Cournoyer – No  
Councilor Feener – Yes  
Councilor Barton – No**

**Ordinance #06-14 passes: 5 Yes Votes, 3 No Votes.**

**MetroCast Renewal Agreement**

**Motion made by Councilor Desrochers that the Franklin City Council approves the proposed MetroCast Franchise Renewal Agreement**

***through December 31, 2023 between the City of Franklin and MetroCast. Motion seconded by Councilor Cournoyer. All in favor; motion passes.***

**Resolution #10-14** – this resolution concerns the Working Dog Foundation Grant in the amount of \$7,000.

***Motion made by Councilor Feener that the Franklin City Council approves Resolution #10-14 regarding a supplemental appropriation in the amount of \$7,000 representing a Working Dog Foundation Grant by a roll call vote. Motion seconded by Councilor Desrochers.***

***Roll Call Vote:***

***Councilor Clarenbach – Yes  
Councilor Giunta – Yes  
Councilor Desrochers – Yes  
Councilor Starkweather – Yes  
Councilor Boyd – Absent***

***Councilor Dzujna – Yes  
Councilor Cournoyer – Yes  
Councilor Feener – Yes  
Councilor Barton – Yes***

***Resolution #10-14 passes.***

**Resolution #11-14** – this resolution concerns a Full Faith and Credit Pledge concerning the recipient (TRIP Center) of CDBG grant in the amount of \$413,938.

***Motion made by Councilor Desrochers that the Franklin City Council authorize the Mayor to sign Resolution #11-14 Full Faith and Credit Pledge regarding the Tiny Twisters, Head Start and TRIP Center CDBG Grant Projects at the Bessie Rowell Community Center. Motion seconded by Councilor Starkweather. All in favor, motion passes.***



**Approval of Annual Agricultural Real Estate Lease**

***Motion made by Councilor Clarenbach that the Franklin City Council approves Agricultural Real Estate Lease with Mr. Daniel L. Fife for the 334 acres City owned property located off River Street, identified as Tax Map 123, Lot 403, and authorize City Manager Dragon to duly execute the lease on behalf of the City. Motion seconded by Councilor Starkweather. All in favor, motion passes.***

**Adoption of Tax Deeded Properties**

***Motion made by Councilor Clarenbach that the Franklin City Council accepts the following tax deeds:***

***Map 133, Lot 014-00  
(Land and Building)***

***Map 116, Lot 148-00  
(Land and Building)***

***Map 083, Lot 002-00  
(Land and Building)***

***Map 078, Lot 006-07  
(Mobile Home in Park)***

***Map 097, Lot 038-00  
(Land and Building)***

***Map 096, Lot 412-06  
(Mobile Home in Park)***

***Map 097, Lot 037-00  
(Land and Building)***

***Map 076, Lot 152-00  
(Land Only)***

***Map 045, Lot 005-00  
(Land and Building)***

***Map 098, Lot 047-00  
(Land and Building)***

***Motion seconded by Councilor Cournoyer.***

Councilor Feener inquired concerning the two mobile homes that are located in parks as to what the City's liability would be. Manager Dragon responded that Mobile Home, Map 078, Lot 006-07 has been an ongoing issue for a number of years. She stated she has spoken to the Mobile Home Park owner and last year at this time he was working with the guy

and the guy was finally going to start paying and things were going to get better. This year he has stated it is probably never going to get better and the City needs to take the property. The other mobile home she stated she will be calling the park owner and she advised with this one there has been a title issue. The man who owned it lost the property to the bank and the bank was either going to see it to someone or did so but it was never transferred.

Councilor Desrochers commented when we take some of these properties urban renewal should be included. Some of these properties should not be resold but should be demolished. Manager Dragon commented she agrees and in the Manager's budget she doubled the amount in the demolition line.

***All in favor; motion passes.***

**Agreement between New Hampshire Department of Transportation (DOT) concerning Industrial Park Drive and South Main Street.**

***Motion made by Councilor Feener that the Franklin City Council accept 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 estimated costs to the City are approximately \$13,100 for engineering and \$90,000 for construction. The City Council authorizes the City Manager to endorse this Agreement, as well as all other agreements and documents that relate to this project, as long as any costs detailed in future agreements or documents are no greater than 15% more than the above estimates. Motion seconded by Councilor Cournoyer.***

Mayor Merrifield commented he is a bit surprised by the amount of monies that is the City's share. Mayor asked if these funds are to come from FY16 budget and Manager Dragon advised that is correct. Mayor Merrifield

asked would the surplus fund in FY16 be dependent on the Council's adoption of the upcoming water budget as what is proposed in the FY15 budget is a significant increase in water rates, so are we dependent on that increase to do this. Manager Dragon responded no, it is not part of that. Councilor Starkweather commented DOT may not have a clue as to what they will run into or the cost and we would be on the hook for that. Manager Dragon responded only up to 15%. Councilor Desrochers commented that if the Council does not approve this, the State will not fix the road over there. Director Lewis commented that the City is pretty much obligated to put this \$90,000 into the escrow account. DOT has stated the \$90,000 is to be put into an escrow account and then the State will spend it down and if it goes over \$90,000 then the City would have to put in the rest and if it is less than \$90,000 the City will have monies come back. The escrow account will have to be established prior to the signing of the contract with the firm that wins the bid. Director Lewis advised that the engineer that Brian Sullivan, MSD and the City worked with is very familiar with Force Account project with DOT and the number is a pretty good number. Director Lewis commented this project will have positive impact for the City, South Main Street and will make the Industrial Park a little bit more of an inviting location for additional businesses in the City. Councilor Desrochers commented looking at the whole picture DOT is going to fix one small section of road which isn't going to attract a lot of people to Frank and the road out of Franklin all the way to Boscawen is junk. Mayor Merrifield asked if the Council would decide to do something else with the water rates that are proposed would that make the funding of this project possible? Water rates have not been raised in 7 years.

Councilor Giunta commented this is a frustrating one for him. We have reports from Brian Sullivan that the increases to the water rates have to happen because of increase sampling, DES requirements and EPA requirements, etc. He stated I don't know how we get out of that increase but to say that the increase would occur and that there might be an extra \$90,000 in it brings a question, is that \$90,000 excess that we would use for this construction project built into the increase, and would there continue to be a \$90,000 every year and if not, why not. Finance Director Milner responded the increase does not include the \$90,000 we are discussing

tonight. The increase is based on operations. The last water increase was in 2007 and it was meant to cover the bond cost of the water treatment facility. Due to economy of scale the duration of the project the water increase allowed us to manage increased operating costs as well as additional capital projects over the years. Now that the bond payment for both the water treatment facility and the water tank project are now due and payable in FY15 and we have reduced retained earnings to a level close to the recommended 25%, we do not have the flexibility of managing 7 years of operating increases within the budget. Director Sullivan and I hope that we may have the opportunity to have retained earnings to support this project by FY16. If we do not do this increase, we will likely not have the retained earnings to support this project.

Councilor Clarenbach commented what really happened in the Water Department, we are actually taking the pre-authorization of the bond payment money and used it to defer increases in the operating budget and now that the bond is actually due we need to make up for that, that is what that increase is for is try to make up for that period of time because of the delay of the project and we started it early knowing that it was going to need to happen. Councilor Clarenbach commented we are sort of stuck on that or we reduce operations and not have the increase or we have to increase to keep our operations where they currently are. Councilor Clarenbach commented the other issue is there has not been an increase in the water rates in 7 years but every year there is an increase in the sewer rates because the Wastewater Treatment Plant is the biggest driver of that cost. Mayor Merrifield asked if anyone else is a little perturb that we get funded for a project like this and now it costs the City money; should this not be covered in the grant from the feds.

Councilor Giunta asked is there any option for 35% increase; if we do not pass the 35% increase what happens. Manager Dragon asked is this referring to the proposed water budget. Mayor Merrifield stated he calculated the rate and it is 17%. Manager Dragon stated she is not prepared tonight to answer what other options might be available in the water budget especially without Director Sullivan here.

Councilor Giunta stated his frustration is if that has to happen and we also have to factor in the \$90,000. He stated maybe we send a message to DOT that we are not going to accept this, that we don't want their project. Manager Dragon stated what was hoped was if the water rate increases the way they are proposed in the budget, to have available funds in the retained earnings to pay for this \$90,000. It is not adding another \$90,000 onto the budget; it is taking it out of the retained earnings. The concern is if the increase in the water rates do not get approved then you could potentially eat into what retained earnings we have available and then we would not have the retained earnings to fund the \$90,000.

Manager Dragon asked Director Lewis what the total cost of the project is and Director Lewis advised he has not seen the total amount but what has come up in a couple of comments is what if the estimate goes over the \$90,000. If the estimates for the City's contribution towards the relocation of these water mains goes excessively above \$90,000 that would also probably mean that the overall project is going to have some kind of excessive increase in which case the State may need to modify the proposal, cut back in some areas, do less drainage work, hard to say exactly what would be needed.

Councilor Desrochers commented the City has a bond that will become free and clear regarding the bridge in West Franklin in the next year or two and a bond for the Police Station Building.

Mayor Merrifield commented those were funded from the General Fund, not the Water Fund. Councilor Desrochers stated you can't use that for a highway project. Councilor Desrochers further commented this water main relocation is not for the Water Department but is necessary for a road construction project. Councilor Clarenbach commented yes, a road that we don't own.

Councilor Giunta commented there has been a lot of discussion concerning this project and a lot of different ideas and a response from the City Manager that she could not answer a question right now. He stated based on that he would like to have more information and feels very

uncomfortable and when he does not have all the answers he would vote no. He stated instead of voting no, he offers the following motion.

***Motion made to table by Councilor Giunta, seconded by Councilor Feener. 7 Yes Votes; 1 No Vote. Motion to table passes.***

### **Other Business**

### **Committee Updates**

Councilor Feener advised there will be a Joint Finance Committee Meeting with the School on Monday, May 12<sup>th</sup> at 6:00 p.m. in the meeting room located on the lower level of City Hall. Tax Cap calculation and update on the School's budget.

### **City Manager's Update**

Manager Dragon advised \$204.21 was received in the contingency grant line from Operation Safe Commute Grant. The Fiscal 2015 Budget schedule for meetings was announced. Manager Dragon congratulated those that were honored April 27<sup>th</sup> at the VFW Loyalty Day. Manager Dragon announced Youth Government Week begins Tuesday, May 6<sup>th</sup> and ends Thursday May 8<sup>th</sup> with a dinner at the Elks and a "Mock City Council Meeting." Youth Government in Franklin is celebrating its 50<sup>th</sup> year of having this program for the students.

Manager Dragon reminded everyone that the Bow Wow Ball is Saturday, May 17<sup>th</sup> and tickets are still available.

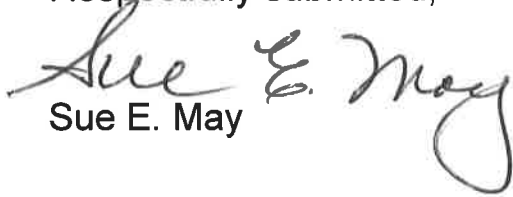
### **Late Item**

**Tax Deed Sale of 6 Ring Street (Mobile Home)**

***Motion made by Councilor Feener that the Franklin City Council authorize the City Manager to dispose of Tax Map 07, Lot 006-02, 6 Ring Street, (Mobile Home) through a negotiated direct sale or sealed bid process. Motion seconded by Councilor Desrochers. All in favor, motion passes.***

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

Respectfully submitted,

  
Sue E. May

**CITY COUNCIL BUDGET WORKSHOP MEETING  
MONDAY, APRIL 28, 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 Cournoyer.

**In Attendance**

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

**Absent**

Councilor Boyd, Councilor Desrochers and Councilor Giunta.

Mayor Merrifield turned the meeting over to Manager Dragon to present her proposed budget for Fiscal Year 2015.

Manager Dragon called attention to the fact that in addition to the budget packet and Council also has a report from Director Sullivan with a detailed explanation of the water and sewer fund rates.

Manager Dragon advised the CPIU was 1.5% this year which is approximately \$188,619 that would be used to spread over the school and City; however, because the County assessment came in under what we were estimating by almost the same amount we started the number at 0. She advised if you look on the summary page on the tax cap calculations it shows how it is broken out and looking at last year's numbers at the bottom and then you go to this year's numbers, the starting number is the same and the reason for that is the County. What was good was the new value that was added to the tax base and that gave the City \$108,243 to be split between the City and the school. The statewide property tax went down by \$171,921 which brings forty an increase in local taxes to be split between the municipal and school budgets for the tax cap calculation.



The School Budget has not been submitted yet but a calculation has been included in the manager's budget using the tax cap formula. The school is having difficulties as their numbers are going down. The City's portion for the school is not going down but has increased each year. Their statewide number went down and their adequacy number went down and the adequacy number went down because of their drop in enrollment.

Manager Dragon discussed the one time revenues which is something the City receives once or sometimes twice but are not ongoing revenues that would sustain operational increase and should not be rolled into balancing the operating budget so therefore one time revenues are being matched with one time purchases. There were a total of one time revenues of \$138,492 and a portion of that was used in the budget for one time purchases and a balance of \$104,508 was put into capital reserve. Some of the items covered with the one-time revenues were Police water heaters, Work in the lower level of City Hall, \$38,000 for Defibrillators which pays off the lease, fire doors at the Fire Department, \$30,247 for cruiser equipment, \$12,000 for XP conversation and some miscellaneous police equipment.

Other revenue changes include the expiration of the Cops grant which expired in September, 2013. This position is now fully covered in the regular budget with no offsetting revenues and there is a two year requirement to fund the position. Ambulance revenues have increased due to the bundled billing and the changing of the City's billing to 50% above Medicare. It is anticipated the City will receive a return contribution from Property Liability Trust but the amount is not known at this time. Rooms and Meals are expected to increase and it is estimated that the City will receive an increase of approximately \$31,275. This is not included in the budget. The Police Department in partnership with the Mayor's Drug Task Force raised the funds for the City's K-9 Program. The K9 Program will have a separate line from the grant line in the budget. Manager Dragon commented that the Police Department detail reimbursement rate has slowly been eroding away and one reason for that was the change in retirement costs and the rate has not been changed which is currently \$60.00/hour which the City makes about \$10.69 per hour and she

Budget Workshop Meeting

suggested at some point that fee might need to be revisited. Councilor Cournoyer asked what the surrounding communities are charged for detail and Manager Dragon stated that would be something to look into.

Manager Dragon discussed benefit changes stated three years ago no steps or COLA was given; two years ago instead of a 3% COLA 1.5% (\$77,115.67) was given and step increases (47,714) were given. Last year both steps and COLA were cut from the budget. For this FY15 Budget Manager Dragon is proposing 1.5% COLA (\$85,542.97 of which \$75,531.19 is General Fund and steps are also included at a cost of \$41,637.88 of which \$38,917.96 are General Fund. The COLA and steps were possible due to a drop in the health costs and the dental stayed the same. Property Liability insurance went down by 5% which is an estimated savings of \$2,635. NH Retirement had no changes. Request for Proposals were done by Finance Director Milner which resulted in the City going with Primex for Workers Comp which resulted in an overall savings of \$23,880 instead of an estimated increase of \$47,251 if the City had stayed with Health Trust. Going with Primex for unemployment saved the City \$5,030 and Davis and Towle for short and long term disability as well as life insurance saved the City \$5,614.

Manager Dragon is recommending some position changes in the FY15 Budget. She advised there is a two-step adjustment for firefighters to correct an inequity between the firefighter and others with the same experience. Overtime has been increased in the Manager's budget by \$1,300 to cover hours the secretary spends at night meetings versus comp time. The position that has been shared between the City Clerk/Tax Collector Office and the Finance Office will now be a full time position in the Finance Office. A re-grade for the Planning/Zoning Secretary from Grade 1003 to Grade 1006 at a cost of \$1,484.20 is included in the budget. The Welfare Director's hours will be increased from 25 to 30 per week and she will be eligible for a single family health insurance plan. Manager Dragon advised that she is still in negotiations with the Police Union but there is some discussion concerning the adjustment of the patrol officer wage range to help with the retention of officers in the department.

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The Assessing update was completed; however, the assessors were unable to complete the conversation to transfer the program to Avitar from CLT which was a disappointment. An Avitar shell was put in place to allow current CKT software and Avitar billing in the Clerk's office. This eliminates duplicating entry but the next full update in assessing is not until 2018 and at that time the complete transfer to Avitar will be initiated as it would be cost prohibitive to make the transfer prior to the next update. The Drug Free Communities budget does not impact the bottom line of the budget as it is offset by grant funds.

Manager Dragon reminded the Council that last year the Recreation Summer Program was shortened by one week which represents a savings of \$3,800 in the FY15 budget. Additionally some more costly field trips have been eliminated or charging individually to bring the Rec budget closer to revenue versus expenses for this summer program. Manager Dragon advised when the Parks and Recreation Department present their budget to the Council, Director Alpers will have some numbers for the Council concerning the Proulx Center, however, currently there is nothing in the budget concerning this issue.

The City will be switching to the State's Fuel Island beginning July 1, 2014. Manager Dragon advised the \$104,508 capital funds were put into the Municipal Buildings Reserve Fund. Outside Agencies are level funded. Concerning the Veteran's Credit, in the FY15 Budget the credit is increased by \$50 going from \$250 to \$300 at an additional cost of \$17,600.

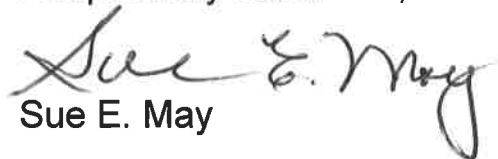
Manager Dragon advised the sewer rate will increase by .14 cents from \$6.13 to \$6.27 per cubic foot and the proposed water rate increase is an increase of .75 cents from \$4.51 to \$5.26 per cubic foot.

Councilor Feener commented looking at the budget summary on Section 5 where the department heads' proposal was just over 5 million and it was cut by the Manager to 11.9 million and he wanted to point out that the City has to cut their budget too to bring it under the tax cap. The public needs to know that not does the School have to cut their budget but so does the City.

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***Motion made by Councilor Feener to adjourn, seconded by Councilor Starkweather. All in favor, meeting adjourned at 6:50 p.m.***

Respectfully submitted,

  
Sue E. May

**CITY COUNCIL BUDGET WORKSHOP MEETING  
MAY 13, 2014**

**Call to Order**

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

**In Attendance**

Councilor Starkweather, Councilor Feener, Councilor Desrochers, Council Boyd, Councilor Cournoyer, Councilor Giunta, Councilor Dzujna, City Manager Dragon, Finance Director Milner and Mayor Merrifield.

**Absent**

Councilor Clarenbach and Councilor Barton.

Mayor Merrifield recognized Councilor Feener who is also the Chair of the Finance Committee. Councilor Feener advised that on Monday, May 12<sup>th</sup> a Joint Finance Committee Meeting was held with the School Finance Committee wherein the tax cap was discussed and the apportionment of the taxes that can be raised this year; as well as an update on the school's budget and the audit. The school has already cut their budget substantially and it was learned in the meeting from Finance Director O'Neill that the school has a gap of \$114,000. Councilor Feener stated if you go to Section 3, Page 2 in the proposed budget where it shows \$374,499 of funds available to the School and City of which 66% of those funds goes to the City and 34% to the school. The Finance Committee is proposing instead of a 66% 34% split this year, we do a 50% 50% split of the \$374,499 which would mean each unit would get \$187,000 which means the City could get a reduction of \$60,000 and the School would get an increase of \$60,000. Councilor Feener further stated at the Finance Meeting the school was advised that if they have any money left over at the end of the budget year they need to come and discuss it with the City Council as to what should be done with that money. Councilor Feener stated all that is needed is a consensus from the Council.

Councilor Desrochers commented at the Finance Committee meeting last night agreed to do this whole heartedly but he feels there should be one

condition and that is a binding resolution that clearly states if they have any money left over at the end of the year, we get together, talk it over and decide what to do with the money. Councilor Desrochers further stated he is in favor of the split of funds that Councilor Feener just described but if there is no binding resolution he would not be in favor of the extra funds for the school.

Councilor Feener commented that it was made very clear to the school at the Finance Meeting that if money is left over at the end of the year they are to come back to the Council and discuss what the funds might be used for.

Councilor Cournoyer expressed his support but also commented he like the idea of a binding resolution that Councilor Desrochers suggested.

Councilor Dzujna expressed his support of the split in funds; Councilor Starkweather voiced his support also. Mayor Merrifield commented that he has a slightly different position. He stated that he thinks \$60,000 is about half of what the school should get in an adjustment. He stated he bases that on a belief that the statewide property tax is nothing more than a label on locally collected, locally raised taxes that should be considered in combination with the local property tax effort. Mayor Merrifield further stated in a perfect world he would apply the tax caps CPIU to both the statewide property tax portion and the local property tax portion combined so that the total dollars going to the school would increase by the rate of inflation.

The consensus was the Council was in support of the \$60,000 additional fund to the school.

### **Outside Agencies**

#### **Franklin Historical Society – Section 5, Page 37**

Mr. Leigh Webb, President advised that they are asking for level funding (\$250) and he stated in his request letter he indicated the funds would go towards the creation of permanent markers along the Northern Rail Trail

but since writing that letter a company has been located that will do signs for considerably less so we will get a lot more for our dollar. He also brought a sample of the signs.

### **Conservation Commission – Section 5, Page 42**

Mr. Roy Gilbreth, Chair is requesting level funding (\$400) which is used for annual dues for the New Hampshire Association of Conservation Commission (\$300) and the other \$100 is used for members who would like to attend the annual meeting of that organization.

### **Franklin Business and Industrial Development Corporation FBIDC – Section 5, Page 37**

Mrs. Denise Sharlow advised FBIDC is seeking level funding (\$45,000) to continue with the economy development for the City of Franklin. She stated they have been able to reduce their expenses as they have moved into the Proulx Center and the City has added a line for FBIDC which has reduced telephone expenses and we have internet through the City. She advised they are doing a little expansion in the Industrial Park and are getting inquiries on a regular basis.

### **Franklin Animal Shelter – Section 5, Page 32**

Mr. Ron Magoon, President of the Animal Shelter advised they are requesting level funding (20,000) for the Shelter. He stated on behalf of the Board, he wished to express thanks for the approval of a ten year lease. As part of the planning for the Shelter, they hope to expand the Shelter, they are working on getting plans drawn, developing phases for the improvements and trying to find funding and grants to support the phases. He stated it is important to offer quality care for the animals, to be able to increase the size of the facility. Right now they have a temporary trailer for the office staff. They hope to be able to provide quarantine space for animals because sometimes there are reasons to quarantine an animal and the size of the Shelter does not allow them to do a very effective job. Mr. Magoon stated they plan to expand their Board. He stated they are grateful for the funds the City provides and they hope to improve their financing. They have to raise approximately \$30,000 themselves to keep the shelter running. Some of those funds come from the fees that are charged for surrenders and adoptions but a large portion of the funds comes from fund

raisers. He stated the Shelter took in and rehomed 110 animals this year and currently there are 10 cats and a couple of dogs.

### **VNA & Hospice – Section 5, Page 32**

Ms. Jane White, Executive Director stated they are requesting level funding again this year (27,985). She thanked the City for their continued support. She stated they do home care services and they have a hospice program. She commented that everyone is probably aware of all the changes in healthcare and she commented all those changes have an impact on the VNA as a smaller organization. Medicare has approved a 3 ½% reduction each year for the next four years off the top to home care agencies which totals a 14% reduction over the next four years. She stated the prediction is at the end of 2014, 1/3 of the home care agencies will be in the red and at the end of the 4<sup>th</sup> year, 2/3 of the home care agencies will be in the red. She stated that is one concern for them and they are predicting they will have a loss this year. She advised the number of Medicaid patients has increased and they do accept any of those patients that are referred to them. Ms. White advised their healthcare insurance is going up 17.6%. She also advised there is a lot of competition in the area for home care.

Manager Dragon asked who are the competitors for the VNA homecare and what does the VNA do that is different from them. Ms. White responded that the Concord VNA has expanded into this area and Central New Hampshire that has expanded into the area and they both expanded into this area about 18 months ago. There are also some private home care agencies that are in the area but they are looking primarily for hospice patients. She stated there really aren't a lot of differences in the services; all provide pretty much the same kind of service. Manager Dragon stated then why wouldn't we let private home care provide the services rather than the City paying for them. Ms. White responded that the City has to decide if they want to support a local organization or support the private national organizations. Ms. White did state that they have a very dedicated staff that work and live in the area.

### **Community Action Program – Section 5, Page 32**

Ms. Gail Lyman, Area Director, Franklin Area Center advised they are requesting \$30,000. She thanked the City for the funding of \$5,000 last year. She stated what they ask from the 8 towns that they serve out of



their center is to help with their operating costs so the Center can be kept open. The programs that they offer such as the fuel assistance program are federally funded. She advised they are looking at new spaces to move to. Manager Dragon where are they looking and Ms. Lyman responded Tilton, Franklin, and Northfield as they still want to be centrally located.

**Community Action Program /The TRIP Center – Section 5, 32**

Ms. Pam Jolivette, Director of Elder Services stated she is speaking on behalf The TRIP Center as they manage the senior centers. They are requesting level funding (\$13,394). She stated the TRIP Center is a very active center and she thanked the City for their support. The center offers a wide range of services and programs for seniors. One of the services that they offer is the Meals on Wheels Program which not only brings food to frail elders Monday through Friday but it offers a safety check. The TRIP Center offers dining where the seniors can come and eat. They also offer a rural transportation program.

**Upper Merrimack River Local Advisory Committee – Section 5, Page 37**

Ms. Michele L. Tremblay, Chair advised they are requesting level funding again this year (\$250). She advised they do a lot of testing on the Merrimack River and hold their annual “Bug Night” event.

**CFA/Career Firefighters Association – Section 5, Page 37**

CFA President Firefighter Stetson was unable to attend as he was on duty. \$1,000 is in the budget for the CFA which uses these funds to decorates the City at Christmas time, put up and takes down the Christmas lights as well as at times make donations to other firefighters around the country and their families in need.

**Child and Family Services – Section 5, Page 32**

Ms. Ruth B. Zax, Development Director stated they are requesting \$4,500. Ms. Zax stated they have an office here in Franklin and have been in the community for many years and last year serviced 216 Franklin residents last year. They provide mental health and family support service and have been offering these services for over 163 years. She stated that they do qualify for reimbursement from insurance; however, a large portion of those families they serve do not have insurance coverage. Also, some of the programs they offer insurance does not cover. They also offer Camp Spaulding to kids every year.

**Big Brothers Big Sisters – Section 5, Page 32**

Ms. Katie Orlando, Executive Director advised they are requesting \$500. She advised historically their services have been focused in the Greater Manchester area but this year they made a decision to service all towns and cities no matter how far away from Manchester. She advised that currently they serve 6 youths and are about to match a 7<sup>th</sup>. She stated some of their Franklin matches have been together for over 5 years. The cost per match is \$1,000 per years.

There was discussion on duplication of services and Manager Dragon is going to look into that.

**Revenues/Charges for Services/Wages/Benefits**

Manager Dragon reviewed the revenues, fees for services as well as wages and benefits.

Councilor Giunta suggested concerning revenues that Franklin has the best water in the State and perhaps we might be able to find potential customers to purchase the water and also he commented there could be value in the ash fill as there are companies that extract the metal from the ash. Director Milner commented that Director Sullivan is looking into that.

**Other Business**

**Repurchase of Tax Deeded Properties**

**176 Sanborn Street, Map 133, Lot 014-00 (Land and Building)**

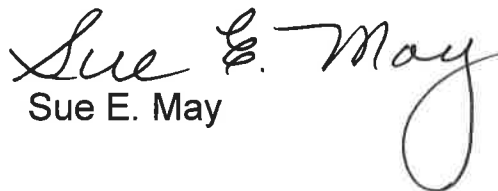
***Motion made by Councilor Feener that the Franklin City Council deed back 176 Sanborn Street, Map 133, Lot 014-00 upon receipt of all back taxes and interest (without 15% penalty). Motion seconded by Councilor Boyd. All in favor; motion passes.***

**604 Salisbury Road, Map 045, Lot 005-00 (Land and Building)**

***Motion made by Councilor Feener that the Franklin City Council deed back 604 Salisbury Road, Map 045, Lot 005-00 upon receipt of all back taxes and interest (without 15% penalty). Motion seconded by Councilor Starkweather. All in favor; motion passes.***

***Motion to adjourn made by Councilor Feener, seconded by Councilor Cournoyer. All in favor; meeting adjourned at 8:45 p.m.***

Respectfully submitted,

  
Sue E. May