

CITY COUNCIL MEETING

AGENDA ITEM I



CITY OF FRANKLIN
COUNCIL AGENDA REPORT

September 2, 2014, City Council Meeting

Subject: Approval of Minutes

Motion: *"I move that the Franklin City Council approves the minutes of the August 4, 2014 City Council Meeting and the June 17, 2014 Budget Workshop Meeting."*

Mayor calls for a second, discussion and the vote.

**City Council Meeting
August 4, 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 Barton, Councilor Boyd, Councilor Starkweather, Councilor Feener, Councilor Desrochers, Councilor Cournoyer, Councilor Giunta, Councilor Dzujna, Mayor Merrifield and City Manager Dragon.

Absent

Councilor Clarenbach

Comments from the Public

Mrs. Tam Feener, Moderator, Ward II advised that those involved with the elections will be going to Plymouth for election training. Mrs. Feener advised they have this training at different locations throughout the State and she would like to have this election training here in Franklin and she asked how we could make that happen. Mayor Merrifield stated he would be glad to support this and without objection from the Council the City will pursue it. The Council had no objection.

Ms. Angela Lynch introduced herself as the new Mayor's Drug Task Coordinator and she invited everyone to an upcoming Coalition Meeting Thursday, August 14th at the Bessie Rowell Community Center from 5:00 p.m. to 7:00 p.m. in the conference room. They will be having a speaker who will talk about the life of an athlete that is hoped can be implemented into the high school.

City Council Acknowledgement

None

Mayor's Update

Mayor Merrifield advised that along with Councilor Starkweather he attended the Webster Lake Association Annual Meeting and the President of the Association Mark Lorentz had a lot of great things to say about both elected and appointed officials. The Mayor advised he also attended the first edition of the Franklin Area Children's theatre which was performed in the Opera House and he thanked people from the Mayor's Drug Task Force who were a sponsor of the event namely Angela Lynch, George and Christine Dzujna, and Bob Lucas.

Franklin Animal Shelter

Mr. Ron Magoon, President of the Animal Shelter addressed the Mayor and Council and expressed his thanks for allowing the shelter to have some time on the agenda. He advised there are 7 of the 9 Board members in attendance, Jo Brown, Christine Dzujna, Donna Cohen, Beth Brewer, Chuck North and Jeff Brewer. He stated they really appreciate the support of the City and are so glad to have the 10-year lease with the City. Mr. Magoon advised that they are embarking on a sizable capital campaign, a building renovation as well as a small edition to the existing building. This will be accomplished in two different phases, the first phase is \$21,000 which would take the existing space and doing renovation to it and the second phase is a more extensive phase where an edition would be added to the facility. He further advised that the 9 Board members as part of the capital campaign all the board members were asked to consider making a donation to this project that would be used as a matching grant for dollars that are received. He stated he is proud to stand here and say that amongst the 9 board members \$10,000 has been raised just from the Board as a matching fund. He stated he hopes the City can support/help this project with either in-kind services or financially and he hopes members of the community will step up and support the shelter also.

Mr. Jeff Brewer referred to the brochure that had been distributed to the City Manager, Mayor and Council which showed their plans for both Phase I and Phase II. Currently the outdoor runs for the dogs run horizontally to the shelter and there is no way of getting dogs to them without physically walking them out into the kennels and sometimes that presents a risk to the employees as not every dog that comes to the shelter is a friendly dog. In Phase I they will take the existing building and knocking down all the existing kennel spaces on the inside and put in some purpose built kennels which will gain some space. Guillotine doors will be installed which will enable the dogs to go inside and outside as the kennels will run perpendicular to the shelter and connected to the inside kennels. With these changes they will also have space for 12 cats whereas currently they have room for 9 cats. In Phase II an addition to the current shelter will be done and once that is completely the cats will be moved to their own space in the new addition and at that time they will also be able to add a couple more kennels for the dogs.

Manager Dragon inquired if the Planning and Zoning Office has seen plans for these improvements and addition. Mr. Brewer stated he ran by some plans with Dick Lewis and all is preliminary but it has not gone through any specific steps yet. Manager Dragon stated be sure to contact not only Dick Lewis but Brian Sullivan as well concerning layout design and get the necessary permits.

Approval of Minutes

Motion made by Councilor Desrochers that the Franklin City Council approves the minutes of the July 7, 2014 City Council Meeting and the June 23, 2014 Budget Workshop Meeting and the June 24, 2014 City Council/School Board Joint Workshop Meeting. Motion seconded by Councilor Feener.

Mayor Merrifield advised the spelling of Mr. Therrien on Page 1 should be en and not an.

Minutes approved as corrected.

School Board Report

School Board Chair Tam Feener advised school starts August 26th for Grades 1 – 12 and kindergarten starts August 28th. The speaker at the School Board on August 18th will be Thomas Raffio, Chairman of the NH State Board of Education; School Board will meet at the Middle School Library at 6:30 p.m. August 20th at 4:30 p.m. at the Paul Smith School which is Pizza Night sponsored by the PTO. Mrs. Feener advised the transition with Supt. McKenney has gone very well and the new Vice Principal at the School is Michael Zmuda who was the Athletic Director so that position is now open.

Councilor Cournoyer commented that the turn around with the School Board has been very impressive to him and he greatly appreciates the cooperation that is now evident from the school.

Date Change for September, 2014 City Council Meeting

Motion made by Councilor Feener that the Franklin City Council schedules their September meeting for Tuesday, September 2, 2014 at 6:00 p.m. in the Council Chambers, Franklin City Hall. Motion seconded by Councilor Desrochers. All in favor; motion passes.

Ordinance #06-15 – this ordinance concerns a language change for Chapter 245-15J of the Municipal Code.

Motion made by Councilor Desrochers that the Franklin City Council set a public hearing for Tuesday, September 2, 2014 at 6:05 p.m. regarding the adoption of Ordinance #06-15 a change to the Franklin Municipal Code, Chapter 289-21E eliminating the language “at the discretion of the tax collector.” Motion seconded by Councilor Feener.

Mayor Merrifield read into the record: In Ordinance #06-15 the City is proposing to strike the language in Chapter 289-21E that states “upon the discretion of the tax collector.”

All in favor; motion passes.

Ordinance #07-15 – this ordinance concerns a language change for Chapter 245-16J of the Municipal Code.

Motion made by Councilor Dzujna that the City of Franklin set a public hearing for Tuesday, September 2, 2014 at 6:06 p.m. regarding the adoption of Ordinance #07-15 a change to the Franklin Municipal Code, Chapter 245-16J changing the late payment fee from \$5.00 to \$10.00 and eliminating the language “at the discretion of the tax collector.” Motion seconded by Councilor Starkweather.

Mayor Merrifield read into the record: In Ordinance #07-15 the City is proposing changing the late payment fee from \$5.00 to \$10.00 and eliminating the language “at the discretion of the tax collector.”

All in favor; motion passes.

Sale of Tax Deeded Property located at 30 South Sulloway Street

Motion made by Councilor Feener that the Franklin City Council sell 30 South Sulloway Street, Tax Map 116, Lot 148-00 to James Xarras, the current mortgage holder for back taxes, interest and fees due in the total amount of \$15,560.32. Motion seconded by Councilor Dzujna. All in favor; motion passes.

“Grit Disposal Agreement” Continuing Service Agreement, Amendment #2, State of New Hampshire Contract 101243

Motion made by Councilor Desrochers that the Franklin City Council authorize the City Manager to enter into Amendment #2, State of New Hampshire Contract CE101243, for the period of July 1, 2014 to June 30, 2018. Motion seconded by Councilor Feener. All in favor, motion passes.

Tax Acquired Property 6 Vine Street, Map #096, Lot #412-06 (Mobile Home)

Motion made by Councilor Feener that the Franklin City Council authorize the City Manager to dispose of Tax Map #096, Lot #412-06 (Mobile Home) only through a negotiated direct sale to mobile home park owner DRM Corporation. Motion seconded by Councilor Starkweather. All in favor; motion passes.

Disposition of Tax Acquired Property 41 Summit Street, Tax Map #098, Lot #047-090

Motion made by Councilor Desrochers that the Franklin City Council authorizes the City Manager to enter into a purchase and sales agreement with David and Nancy Waldo regarding 41 Summit Street, Franklin, New Hampshire as reviewed by the City Council this date and to further execute all closing documents required for the conclusion of the referenced sale. Motion seconded by Councilor Feener.

Manager Dragon advised this property was originally marked for demolition as recommended by Code Enforcement. Demolition of the 3 buildings on the property was estimated to cost \$10,000; instead the demolition is being done in the agreement with the Waldos for the \$10,000. The only part that the City will pay for is the asbestos removal which is just over \$2,000. This property abuts the Waldo's property and as part of the purchase and sales agreement they are required to merge this property with their property.

All in favor; motion passes.

Purchase and Sales Option for 81 Memorial Street (R & D Paving Property) to Franklin Business and Industrial Development Corporation (FBIDC)

Councilor Dzujna recused himself as he is a member of the Board for FBIDC.

Motion made by Councilor Feener that the Franklin City Council authorize the assignment of a certain Option Agreement dated January 6, 2014 by and between R & D Paving, Inc. of 765 Central Street, Franklin, New Hampshire and the City of Franklin as follows:

- 1. Said assignment shall be for property located at 81 Memorial Street in the City of Franklin, New Hampshire (Merrimack County Registry of Deeds, Book 2608, Page 1344) and further described as Tax Map Parcel #117-261-00.***
- 2. This assignment shall be upon the same terms and conditions as contained in the original option and is made in accordance with Section 7 ("Assignment") of said document.***
- 3. The assignment shall be to Franklin Business and Industrial Development Corporation, PO Box 114, Franklin Proulx Center, Franklin, New Hampshire.***

Motion seconded by Councilor Cournoyer.

Councilor Desrochers commented it is his understanding that the City is putting in \$3,000 to help secure the grant for this property. Manager Dragon stated to secure the funds for the property. He also asked if there are any plans as to how FBIDC is going to return the \$3,000 to the City when the property is sold. City Manager Dragon advised that when the property is sold the City has the ability to recoup the funds but it does depend upon what the ultimate use of the property is. Councilor Desrochers stated he is not against this project, however; he stated he feels we could be opening a door wherein if someone else did not have enough funds for the grant and would come to the City and the City helped FBIDC out, why not someone else. He further stated we definitely need to have a way to

recoup the \$3,000 which is taxpayers monies and we just raised the water/sewer rates last month so it would not be fair to the taxpayers not to recoup at some point the \$3,000.

Manager Dragon summarized this purchase agreement was approved by the City Council back in December, 2013 and tonight she stated she us only asking for the assignment of that purchase agreement to go to FBIDC because according to the purchase agreement the City Council was holding that piece of property as a first option to purchase but instead of the City coming up with the funds to purchase it which has been identified as a key piece of property for future development of the Mill District in that area; the City was able to work with the FBIDC Board and they were able to get a loan from Franklin Savings Bank for over half the funds and take the rest from their capital funds so they are actually spending \$80,000 and the City is spending \$3,000. This is not a grant and it is requested that instead of the City purchasing it, allow the assignment of the agreement to go forward to FBIDC.

All in favor; motion passes.

Other Business

Committee Reports

Councilor Dzujna advised he talked with Supt. McKenney today and he invited him to come to the next Liaison Committee Meeting which is scheduled for Tuesday, August 19th at 5:30 p.m. in the meeting room on the lower level of City Hall. One thing they want to do at this meeting is set the agenda for the next Joint City Meeting that will take place in November and also talk about some of the items that are coming up like the ROTC that they hoped to get into the school and the vocational program. The invitation is extended to the City Councilors, the Mayor and City Manager to attend the August 19th Liaison Committee Meeting.

City Manager's Update

Manager Dragon advised the City has received in the contingent grant line \$356 from Rotary for the Book Club; \$750 Youth Tennis Grant; \$194.62 Operation Safe Commute Grant and \$268.36 DWI/DUI. Manager Dragon advised Grzelak is the City's current Auditor and has been as well as the Auditor for the School and Finance Director Milner is planning on extending this relationship with Grzelak for an additional 4 more years if there is no objection from the Council. The reason for the additional 4 years is the amount of time it has taken to get everything reconciled and Grzelak has investing a lot of time and it is hoped that the next 4 years will go much smoother. There was no objection from the City Council.

In a report for Fire Chief LaChapelle January to June, 2014 266 Inspections have been conducted, 245 of them by Captain Bodien, 47 by Inspector Curran and 41 Welfare Inspections of which 8 of the 28 (29%) required re-inspection. Software is being looked at to help with tracking and communication between departments.

Councilor Cournoyer commented on how impressed he was concerning the high rating the Assessing Department received from the Department of Revenue. Manager Dragon stated every five years we go through a certification process with the State of New Hampshire, Department of Revenue in terms of the City's assessments and we recently went through an update to bring our values up to 100% of market value and that needed to be done before the DRA came in to do their review of the process. The letter that was received stated the City passed all of the pieces of the recertification process and scored very high. Mayor Merrifield quoted from the letter: "You stand out as an excellent example for other communities to follow."

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 Boyd – Yes

Councilor Giunta – Yes

All in Favor, motion passes to go into non-public.

Prior to going into non-public Mr. Steve Rayno requested to speak and the Mayor acknowledged his request. Mr. Rayno addressed the Mayor and Council concerning the Rail Trail and stated out of 60 miles of trail, one mile of trail has become a troublesome area and this is the part of the trail from Webster Valve to Webster Lake. He stated he is hoping that the City would step up and do a little more in the care of the trail in West Franklin. Mr. Rayno stated he cleans up parts of the trail all the time but he would like to see the City care for the Trail from Webster Valve to Webster Lake. He stated that lots of folks that are near the trail will not go out on the trail because of the garbage and riffraff people that are constantly out on the trail, they don't have bicycles; they just hang out on the trail.

The City Council then took a 5 minute break and then entered into non-public at 7:00 p.m.

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

Councilor Cournoyer – Yes

Councilor Barton - Yes

Councilor Feener – Yes

Councilor Starkweather – Yes

Councilor Desrochers – Yes

Councilor Dzujna – Yes

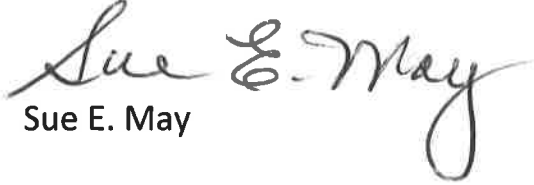
Councilor Boyd – Yes

Councilor Giunta – Yes

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***Motion to adjourn made by Councilor Feener; seconded by Councilor Desrochers.
All in favor, meeting adjourned at 7:30 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

City Council Workshop Meeting June 17, 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 Giunta.

In Attendance

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

Mayor Merrifield stated once the school budget is presented, how does the Council want to proceed? Mayor Merrifield asked if the last wrap up budget meeting is needed. City Manager Dragon asked if there are general adjustments that the Council is considering doing it would be good to hold the meeting so that Director Milner would be able to make the adjustments to the resolution before the Public Posting is done. There has been discussion about the school budget so depending on how the school budget is decided this evening in terms fund balance or cutting money from the manager's budget and moving it to the school budget, that clarification needs to be made aware of that before the Monday wrap up meeting. She stated if there is to be an adjustment to the Manager's budget she would like to have some time to take care of that.

Councilor Cournoyer inquired of the school concerning the dietary that it appears they do not go out for bid, they just have a set rate and it does not go out to bid every year and they are paying a lot more than they should for some of their produce. School Finance Director O'Neill responded that they do go out for bid every year and we get at least 3 quotes every year and we buy from the supplier with the best price.

School Presentation of their Proposed FY14-15 Budget

Business Administrator Mike O'Neill addressed the Mayor and Council concerning the proposed budget. Discussing Revenues Mr. O'Neill

commented some of the numbers you know what they will be such as the District appropriation, others have to be estimated. Tuition from Other Leas in New Hampshire will go down which is Hill and even through the rate goes up every year the number of children is going down so that revenue is down by \$63,411. Special Ed tuition has one student the school provides for and that is going up slightly; Adequacy Education Grant is decreased slightly. Last year the number in the budget was an estimate and the total was \$8,079,198 which is a reduction of \$427,469 from the 2013 grant, an estimate was received on the 2014-2015 grant showing a small increase of \$75,437, however, the operations for this year will reflect that the adequacy is down in revenues. There is an increase in the catastrophic aid, Premium Holiday; last year there was a significant payback from LGC and this year we received information that the amount would be approximately \$66,000 and then recently received some additional information that they have to distributed an additional 20 million by August, 2014, which will impact the revenues in the current and a decision has not been made as to how that would be allocated. E-Rate is a reimbursement on the internet side, 79% reimbursement on the internet costs. Medicaid distribution the district has been doing well on that and we are showing an increase of \$10,000 which is probably conservative and will probably come in around \$275,000. Food Service Mr. O'Neill advised they budget to break even. Total Revenues of \$14,945,519 against the budget in revenues for 2013-2014 of 15,178,367 for a reduction of \$238,848 in revenues. What this means is the budget has to go down \$238,848 to break even.

Proposed Budget, Sorted by Object: Mr. O'Neill stated the reason he does this is to show where the big changes in the budget are from year to year. Salaries and Wages are up by \$11,877. Health and Dental is down by \$42,214 due to changes in the census and the rates went down 2 ½%. Other Employment Costs are up by \$74,087 which is all the other insurance costs. Contract and Purchase Services are up by \$52,472 which is mainly outside services related to special education. Equipment Repairs and Maintenance is a line that continues to decrease and is currently \$24,610. Transportation is down \$11,845 and the school is in the last year of their contract with First Student. Out of District and Vocational Tuition is down \$170,517. Postage, Printing, Travel and Liability Insurance is down

\$81,104. Supplies are up \$20,248. Phone, Data and Utilities is down \$52,497 mainly due to a savings on electricity and natural gas. Books, Software and Plato are down \$33,874. New Computers and Equipment is down \$9,491 and Replacement Computers and Equipment is up \$34,225. Dues, Fees and Miscellaneous are up \$5,615 and Debt Service is down \$32,556 due to the end of the copier lease. Overall the Budget is down \$178,276 and Food Service is up \$5,428. The Total Budget of \$15,005,519 which is \$60,000 short of the revenues.

Mayor Merrifield stated that he believes the Manager's Proposed Budget for the District assessment number was \$4,589,969 and he asked if that is correct. Mr. O'Neill responded there was a reallocation. Mayor Merrifield stated what he sees for District appropriations is like a \$54,000 difference on the school's revenue sheet and what the Manager has proposed but you are still \$60,000 short. Mr. O'Neill stated that at the joint finance meeting it was \$114,000 short and it was discussed a possible reallocation which would have given the school the \$55,000. The number being shown here reflects what was discussed in the meeting and the understanding that reallocation would be looked at. Councilor Feener stated what the school was going to have left for fund balance at the end of the year was discussed and the impression was the fund balance would be returned to the school and you were going to go find the other \$60,000. Councilor Clarenbach commented that he had recommended you find capital items in your budget and see if you could actually remove some things from your proposed budget so that could be taken out of capital as a one-time withdrawal. Mayor Merrifield questioned based on our discussion, do we have the right number for District appropriations. Mr. O'Neill stated it appears he should go to \$4,589,969. Mayor Merrifield stated your fund balance can be appropriated for you but it would take place after the year ends and would not be part of this proposal.

Mr. O'Neill stated there are some projects to be considered that have been in the budget for the past 3 years and cut which total \$106,200. Copy of those projects were listed and given to the Mayor, Manager and Council. He commented he is having the same issues with turnover, there has been 19 people have resigned so he stated he is comfortable that he can reduce

the salary and wage line in the budget because of the turnover. He further stated that right now he is \$114,000 short. Mayor Merrifield inquired if that can be covered with new personnel changes and Mr. O'Neill responded yes.

Councilor Feener questioned won't the Premium Holiday Line be increased by \$42,000 for revenues. Mr. O'Neill stated that would be correct and Councilor Feener stated then you only have \$72,000 to cut. Councilor Feener also asked if it is correct that the \$106,000 for projects listed on the sheet are in the budget and Mr. O'Neill stated the bathrooms at Paul Smith (\$38,500) are in the 2015 budget. The cameras for the Middle School it was proposed do them now and remove them from the 2015 budget.

If the bathrooms (\$38,500) are done now at the Paul Smith School, the District's fund balance at the end of FY14 will be \$210,000. And if the cameras (\$25,000) are done now at the Middle School, the District's fund balance at the end of FY14 would be \$185,000.

Councilor Giunta commented the fund balance is down to \$185,000 and he asked what the District's shortfall is for next year. Mr. O'Neill responded with the \$185,000 the shortfall would be \$16,295. Councilor Giunta asked how this would affect the City's budget. Manager Dragon stated she would recommend that allow the funds to drop to fund balance as this is an estimate and we won't have audited, actual financials for a while and then the Council could then appropriate the funds into a capital account or whatever the Council would want to do after discussion with the school. The only restriction we have with that and it is really not a restriction as they could come and ask for the funds to be appropriated into their regular budget if they had a contract, they could ask that it be split between capital and the funding of a contract.

Manager Dragon inquired when talking about next year's budget, if the teachers' contract and the support staff contract which has been approved are added in to the upcoming budget, are there other items in the budget that are capital that can be used by the fund balance. Mr. O'Neill responded that is correct.

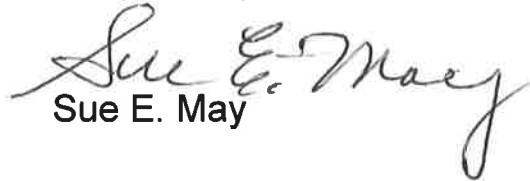
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Councilor Feener commented that concerning the discussion earlier as to whether a wrap up meeting would be needed, Councilor Feener stated it looks like we need to have it.

City Manager Dragon commented in preparation for the meeting Monday, June 23rd, she stated she is looking for some feedback. She stated she has her numbers and they have stayed the same so is there anything in particular that should be looked at or have prepared for discussion in terms of thoughts that the Council has in regards to cuts or possible shift of funds.

Motion to adjourn made by Councilor Feener, seconded by Councilor Clarenbach; all in favor, meeting adjourned at 7:15 p.m.

Respectfully submitted,


Sue E. May