

CITY COUNCIL MEETING

AGENDA ITEM I

**CITY COUNCIL INFORMATIONAL BUDGET WORKSHOP
THURSDAY, MAY 21, 2015**

Call to Order

Mayor Merrifield called the meeting to order at 6:00 p.m. in the Council Chambers, Franklin City Hall. Since there was not a quorum present the Mayor stated this would be an informational meeting.

In Attendance

Mayor Merrifield, City Manager Dragon, Councilor Dzujna, Councilor Wells, Councilor Feener, Councilor Clarenbach, School Finance Committee Chair Husband and Supt. McKenney.

Absent

Councilor Starkweather, Councilor Barton, Councilor Boyd, Councilor Giunta and Councilor Desrochers.

School Budget Update

Supt. McKenney commented as of May 11, 2015 the budget was estimated at \$15,239,220.00 and making some additional cuts as of May 19, 2015 the budget is currently estimated at \$15,127,110.00. May 11th the shortfall was \$478,000 and as of today, May 21st the shortfall is \$257,000. The deficit over the last two weeks has been reduced by \$222,000. With regard to revenues \$170,000 is estimated to be the fund balance this year and it is hoped the City Council will return that to the school. Open enrollment hopefully will be another source of revenue. Supt. McKenney stated right now he anticipates 5 students for open enrollment which would \$52,000 which totals \$222,000 which would leave a shortfall of \$35,000 if the above revenues happen. He stated they have lost a full time guidance counselor and would need about \$40,000 to keep a person in that position. In the budget we have committed \$50,000 for a Spanish teacher and to get someone with experience might cost an additional \$10,000. At the middle school a position they are concerned about is French/World Culture. A support staff member has resigned which if that position is not replaced and an additional \$15,000 is added, the French Teacher could be brought back. Another need that exists is a person that has received a layoff notice and it is hoped they will be able

to place that person in a position with a grant. Looking at the three losses: a guidance counselor, a Spanish Teacher and a French Teacher that adds up to \$65,000. Supt. McKenney stated if the Council could find a way to provide the School District an additional \$100,000 those losses can be restored. Supt. McKenney also stated that if they should get more than anticipated open enrollment students an option would be to work repayment to the City. He thanked the City as the appropriation for the City this year is over \$100,000 from last year. The adequacy funds are not firm at this time but the latest figure is \$173,000. The School Board will vote on the budget at their meeting in June and then it will be brought to the City Council. Supt McKenney commented we need to have good programs for open enrollment. Mayor Merrifield questioned concerning a 60 day reporting requirement to the Board of Education on kids coming to us and does that shut the door on Franklin. Supt. McKenney responded that he talked to Matt Upton about that and that applies to Charter School Open Enrollments.

Revenues – Page 1 of 6 – Section 4

Manager Dragon advised there has been a change in how the budget is shown and asked Director Milner to explain. Director Milner stated last year a small step was made toward transparencies in that the County and City taxes were added together to try to get it to go from the tax cap formula page to the budget. This year another step was taken and you can go right from the tax cap page to the budget. The school budget is not in there but the amount that goes to the School District is shown.

Page 1 – Manager Dragon commented the City took a large hit this year with the Pilot agreement with Concord Regional Waste going from \$110,000 to \$8,000. The ash fill will close in FY15. She further stated the 53rd month in the budget this presented another difficulty, which means there are no steps and no COLA included in this proposed budget. She advised she has been working with Easter Seals and the Pilot Easter Seals shows \$11,000.

Page 2 – No major changes.

Page 3 – The Flood Control Reimbursement goes from \$38,000 down to \$12,000.

Page 4 – No major changes.

Page 5 – Change in Ambulance Fees which will require a change in billing changing it to 65% above Medicare and looking at an estimated increase of \$40,000.

Manager Dragon stated we continue to receive a contribution from Healthtrust in the Misc. Revenues.

Manager Dragon stated that is the major changes in revenues. She commented the budget was very difficult and that 53rd week was a real hardship on the budget.

Total Revenues is \$16,686,941 which is a slight increase due to tax increase from CPIU and the pickups is \$100,000.

Section 5 – Page 35 & 36 – Culture and Recreation

Page 35 - Wages slightly down. Background check down.

Page 36 – Other Contracted Services – increase as food permit necessary for the kitchen at Bessie Rowell Community Center. Operating Supplies increased by a \$1,000 and Director Alpers added she took a \$1,000 out of the trophy line but trophies are supplies too but that is the reason it looks different. Misc. Supplies shows an increase as the tire swing at Odell Park has to be replaced.

Director Alpers stated those are the main changes in her budget this year. Councilor Wells inquired about maintenance of the two City vehicles Parks and Rec uses. Director Alpers stated the maintenance of the vehicles falls under Municipal Services budget and the gasoline is charged to travel reimbursement in the Recreation budget. Councilor Feener inquired as to how the Summer Program is doing concerning costs and fees. Director Alpers stated we are getting there, she stated she did increase the fees \$25.00 from \$340 to \$365 and stated her goal would be to get to \$530 the full price. Non-residents currently pay the full price of \$530.

Municipal Services

Buildings – Page 9

Director Sullivan commented about his agenda report of several pages to the Mayor and Council and stated he felt it was important to bring everyone up-to-date concerning both water and sewer. He stated Councilor Giunta attended a Winnepesaukee River Basin Program with him and is aware of some of the challenges the City is facing.

Municipal Services takes care of all the buildings with the exception of the Fire Department Building and the Fire Department maintains their own building.

City Hall – 37% decrease and part of that is due to the encumbrances in other contractual services.

Proulx/Parks/Beaches – down 8%

Bessie Rowell Community Center – down 2%

Odell Cottage – Level Funded – Director Sullivan stated the heating of the cottage is the biggest problem and the Boys and Girl Scouts use the Cottage during the winter so we have to heat it. The building does need a lot of work and Director Alpers is working on a grant for that.

Total Buildings down 18%

Page 12 – Police Building

Police Building – Down 20% and the main reason is they redid the flooring in the building last budget and that was about \$20,000.

Page 17 – Fire Station

Fire Station – Down 3% Director Sullivan stated they did 2 meters in the Fire Station for water/sewer in order to save on the sewer fund and not charging water tanks to sewer and that line shows a reduction of 17%.

Municipal Services Administration – Page 24

Total Administration – Down 2%

MSD Buildings – Up 15% Director Sullivan explained that last year it was determined the gas meter had not been working properly and the meter was changed as well as at the Police Department and costs certainly increased.

Highways & Streets – Page 25

MSD Roadway Maintenance – Down 2% Director Sullivan noted that Other Contractual Service was level funded.

Page 26

MSD Snow/Ice Removal – Level funded. Director Sullivan stated they went over 72% this budget season but found ways to absorb it. There was also about \$90,000 over in overtime. Director Sullivan stated there is a reduction in the companies that supply salt, down to three from four supplying the State and there is talk of another company dropping out and that drives the cost up but we use the State's price, District II which is the lowest.

MSD Drainage & Vegetation – Up 44% Director Sullivan stated he is concerned about this issue as there are many problems and they get so many calls concerning drainage. This has been increased by 4%; Other Contractual Services has been increased by 30% and Operating Supplies 77%. Due to the age of the system there are many problems, calls concerning drainage are many and a list of priorities is followed. Several catch basins have collapsed. The older basins were made out of steel prior to going to PCV Pipe and salt rusts steel piping.

Total Highways & Streets – Up 4%

Highways & Streets – Street Lighting

Traffic & Street Lights – Level Funded

Highways & Streets/Other – Page 27

Mechanical Garage – Up 1% Director Sullivan advised that is due to a re-grade in the Master Mechanic. The new fuel system is up and running.

MSD Buildings & Grounds – Page 28

Buildings & Grounds – Down 1%

Sanitation – Solid Waste Collection – Page 29

Curbside Collection – Down 2%

Recycling – Up 19% There has been an increase in demolition. Director Sullivan stated we are handling 617 tons of demolition at \$74/ton. Director Sullivan advised between the recycling and the demolition the City was saving \$94,000 which help to offset the \$154,000 for the truck.

Transfer Station – Page 30 Tipping Fees have increased from \$297,000 to \$336,000 which is a 13% increase. The City is recycling about 1,000 ton per year. The problem is nationwide as these recovery facilities were built 10 to 15 years ago when the packaging was different and now much of the packaging has changed and the recovery facilities won't accept it. You also have more municipalities entering the market, there is contamination (however, Franklin has never had a load rejected). All the facilities are having trouble moving their solid waste and they are also finding contamination and it is not just bottles not being rinsed out but some of the materials can no longer be accepted. When the City began it was \$15.00 per ton, then it dropped to \$5.00 per ton and then back up to \$7.00 per ton, then the City was paying \$8.00 per ton, right now the City is paying \$20.00 per ton and Director Sullivan stated he has been told it is going up to \$55.00 per ton.

Director Sullivan stated if we gave up the recycling and starting burning everything we would still spend more money and would have to run the pickup routes 5 days a week. \$55.00 per ton has been put in the budget but Director Sullivan advised it could be \$45.00. He stated the City's hauling cost are good and the City is very fortunate to have the facility in Belmont and Wheelabrator.

Total Solid Waste Disposal – Up 7%

Page 31

Transfer Station – Up 4%

Total Municipal Services – Up 3%

Section 9 – Sewer Fund

Director Sullivan advised they will be flushing lines again this year. Flow metering project is underway with the Winnepesaukee River Basin Program and when that project is complete and the City has its own flow metering determination can be made as to where the City is with I&I. He also advised that during the smoke testing it was learned that almost every building downtown is connected to the sewer system. The problem is the way each municipality is allocated and this is where the flow metering comes into play. Director Sullivan stated he has heard that way back Laconia and Franklin bought more into the system because they accounted for their I&I. Franklin is paying 22% of the capital cost and Laconia is paying 49% and it is hoped that after the I&I comes through Franklin may be no different that the City is currently. Director Sullivan advised there is no increase in the sewer fund this year. \$50,000 of retained earnings was transferred. Total projected revenues as shown on Page 1 of Section 9 are \$1,448,920 which is down 6%.

Looking at Page 1 and 2, Sewer Department Administration, it is 17% down. Director Sullivan stated that in the Sewer Fund, machine and equipment there is a proposal to do a 7 year lease/purchase an excavator and several months it has been necessary to rent an excavator at a cost of \$4,500/month.

Section 10 – Water Fund

Director Sullivan stated he hopes everyone will read his report as the City will be facing problems due to the antiquated infrastructures. There is an 8” and a 12” main on North Main Street and there are twelve services still tied into the old 8” main and the rest are tied into the 12” main. South Main has 24 services tied into

an old 8" Main and a new 12" main the services were never tied over. Nelson Street is very bad. There is a curb stop for service, no main. Some improvements have been accomplished on Nelson Street but there is still work to be done.

There are other streets with problems. Freeze ups were a problem this year. Curb stops had to be dug up and lines had to be steamed to unfreeze. Million gallons of water was lost last week from the Salisbury Tank that stirred the entire system up. Consideration is being given to relocating the Acme II Well by about 20 feet so the City can once again get 700,000 gallons a minute from the well. Because being down in production at Acme Well II, Acme Well I had to be worked on due too loss of production and a new well and motor had to be replaced in Acme I and these costs were unanticipated. After July 1 the Franklin Falls well will be refurbished.

Director Sullivan stated what the City is billing out does not match what is being produced. The proposed rate increase in the water is \$1.05 which would be going from \$4.76 to \$5.81. This is a 22% increase and would cover capital needs. The plant is working great, however, there are still aging pipes in the ground and Director Sullivan stated it is a constant challenge. Councilor Wells stated it is important that people understand what is going on with the water system and why a rate increase is necessary and ways to communicate this to all residents should be done. Director Sullivan advised that a full report is on the City's website. Finance Director Milner reminded everyone that .25 cents of the proposed increase was deferred from last year. Councilor Clarenbach commented that lots of places have a hydrant charge but under the tax cap Franklin cannot do that. Director Sullivan stated the hydrants on private property we might want to consider charging a fee in the future. Councilor Dzujna asked what the proposed rate increase would be for the average family. Director Sullivan stated the average household use 2,400 cubic feet per quarter \$29.00 per quarter which would be \$117.00 per year and the availability charge was just increased by \$10.00 so that would be another \$40.00 which would be a total increase of \$157.00 per year. Year 2012 a water rate survey was done and Franklin came in a little bit above average before the rate increase but a new one will be out soon. Director Sullivan advised that right now in the Water Department there is a foreman, two light equipment operators and one heavy equipment II operator. What is being proposed is to go to two heavy equipment

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II operators, one light equipment operator and one foreman and this will not affect the budget.

Mayor Merrifield advised the New Hampshire Municipal Association has agreed to sponsor a free two-hour program on Thursday, June 11, 2015 from 7:00 pm to 9:00 pm at the Salisbury Town Hall on the Right to Know Law.

Motion to adjourn made by Councilor Clarenbach, seconded by Councilor Feener. All in favor; meeting adjourned at 8:05 p.m.

Respectfully submitted,

Sue E. May

**FRANKLIN CITY COUNCIL BUDGET WORKSHOP MEETING
THURSDAY, JUNE 4, 2015**

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

Absent

Councilor Clarenbach, Councilor Boyd and Councilor Giunta.

Salute to the Flag was led by Councilor Starkweather.

Section 5 Page 3

City Clerk/Tax Collector

City Clerk/Tax Collector Katie Gargano advised the bottom line on Page 3 is down 1%.

Page 4

Elections

Down 5% and Mrs. Gargano explained that this budget there is only two elections, the City and the Presidential primary which reduced costs. She also advised that they now have a drop box on the outside of the front door where people can drop off payments for water/sewer, tax bills after hours. She also advised that registration or payments can be done on line.

Page 5 of 43

Finance

Total for Administration is up 2%. Finance Director Milner commented that New Hampshire Retirement increased, worker's compensation increased, and the contract with the auditors increased a small amount.

Section 6, Library

Director Rob Sargent introduced Mrs. Christine Dzujna and Mr. Michael Gula, Trustees of the Trust Funds for the Library and advised they would be representing the Library and can answer any questions the Mayor or Council may have concerning the revenues and appropriations for the Library.

Revenues were up 1% as were total expenditures. Mr. Gula advised that shortly books will be available on line. Councilor Feener inquired about what kind of traffic the Library is experiencing since the closing of the Library on Mondays and not opening until 11 am on Tuesday although open until 8 pm and Wednesday through Saturday the hours are 8 am to 5 pm. Director Sargent stated they haven't notice much change in the traffic. Most residents are aware the Library is closed on Mondays. Saturdays are always busy and we see a lot of people coming in on Tuesday after they get off work.

Section 5, Page 33 **Welfare**

Director Tracy stated that the Welfare Administration is up 2% primarily due to Wages, Health, Social Security, Medicare and Worker's Compensation.

Page 34

Total Welfare down by 19%. Director Tracy commented that assistance for food has been reduced by 20%, rents by 38% for a total reduction in Direct Assistance of 28%. Welfare Burials were up 33% and Director Tracy commented that there have been several this budget season.

Councilor Feener inquired if the school's medical insurance is a lot better than what the City offers. Director Milner commented that they have several plans they offer and yes some are a bit better coverage; however, they pay a portion of the premium.

Section 5, Page 6
Assessing

Manager Dragon stated the Assessing Contract and related items are all level funded. Wages, Social Security and Medicare went up 2% and there was an increase of 6% in the NH Retirement.

Page 7
Data Processing

Down 18%. Bottom line for Financial Administration is level funded.

General Government – Legal Expenses
Legal

Level funded.

Section 5, Page 10
General Government – Insurance

Manager Dragon advised General Liability Insurance is up 11%. The insurance was changed to Travelers at a savings of \$12,000 over renewing with PLT.

Equipment and Supplies

Level Funded

Page 39
Debt Service

Manager Dragon advised total long term interest is down 35% and total debt service is down 39%. The 1994 Daniel Webster Bridge bond retired in August, 2015. Manager Dragon advised that \$50, 000 has been moved to Capital Reserve. Manager Dragon advised that in the FY16 Proposed Budget there are no steps or COLA.

Other Business

Motion made by Councilor Dzujna that the Franklin City Council schedules a public hearing at 6:05 p.m. in the Council Chambers, Franklin City Hall regarding three consecutive public hearings concerning a \$500,000 Community Development Block Grant for public facility and housing projects of which \$475,000 will go to CATCH for the Riverbend Mill Project; motion seconded by Councilor Feener. All in favor; motion passes.

Motion made by Councilor Feener that the Franklin City Council approve Resolution #14-15 relating to authorization for the City of Franklin to participate as a member in the HealthTrust Pool Risk Management program in accordance with NH RSA 5-B and authorize the Mayor to sign said document. Motion seconded by Councilor Desrochers. All in favor; motion approved.

Mayor Merrifield read Resolution #14-15 into the record:

RESOLUTION #14-15

A Resolution Relating to the authorization for the City of Franklin to participate as a member in the HealthTrust pooled risk management program in accordance with NH RSA 5-B.

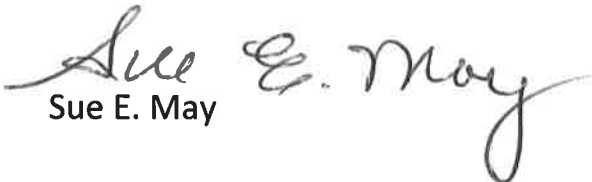
THEREFORE BE IT RESOLVED that at the scheduled meeting of the City Council on Thursday, June 4, 2015, the City Council of the City of Franklin, New Hampshire does hereby adopt resolution 14-15:

RESOLVED: That the City of Franklin shall participate as a Member in the HealthTrust pooled risk management program for the provision of group medical and/or other benefit plan in accordance with the "Application and Member Agreement" and NH RSA 5-B.

RESOLVED: That Kenneth Merrifield, Mayor, City of Franklin , is hereby authorized and directed to execute and deliver to HealthTrust, on behalf of the City of Franklin, the "Application and Membership Agreement" in substantially the form presented to this meeting.

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

Respectfully submitted,


Sue E. May

**CITY COUNCIL MEETING
JUNE 1, 2015**

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

Councilor Desrochers advised that Franklin lost a member of the Greatest Generation in May. Mr. John Fuller past away at the age of 93. Mr. Fuller and his wife served in the US Navy in World War II and were interned in the NH Veterans Cemetery May, 2015. Councilor Desrochers requested a moment of silence for all veterans and render a military salute during the pledge to the flag in honor of Mr. and Mrs. John Fuller.

Salute to the Flag was led by Councilor Desrochers.

Public Hearings

Open Enrollment Plan for the Franklin School District pursuant to the provisions of RSA 194-D

Mayor Merrifield stated he believes no other school district in New Hampshire has adopted Open Enrollment so the Mayor commented he will attempt to explain open enrollment. The Mayor stated open enrollment provides for a district to declare they have open enrollment schools to allow students, with parental permission, from other school districts to enroll in the open enrollment of that school at 80% of the cost of the sending district's costs as calculated by the Department of Education. The Franklin School District would like the City Council to accept this open enrollment plan and are required to hold a public hearing.

Mayor Merrifield opened the public hearing. Supt. McKenney addressed the Mayor and Council stating the scheduling of the public hearing is the semi-final step in declaring two of our schools as open enrollment schools. The plan has

been approved by the School Board and now requires the approval of the City Council. That declaration states that the Franklin High School would be open enrollment; 4 through 8 grades in the Middle School and Grade 8 which will be housed at the High School next year which would also be open enrollment grades. What prompted the School District to do this was the loss of Hill students. The total loss was over \$600,000; however, 24 students have elected to stay in Franklin which reduced the cost 50% to \$300,000. Once this is approved by the City Council, a form for open enrollment will be prepared and July 1, 2015 open enrollment can be offered.

Each student that comes to Franklin from open enrollment would offer about \$10,000 addition to the school budget. Supt. McKenney stated they hope in two weeks they will have all the programs in their budget and if this is the case Franklin will be able to hopefully attract students. He advised that he has had 3 people tell him they would like to send their son or daughter to Franklin. He has heard there are others out there but has only been told by 3 people. Currently in the budget they are only planning for 5 students but are hoping for many more. The final decision as to who is accepted rests with the Franklin School District. Some have asked about special education students and open enrollment does not have to accept anyone but if a special ed student is accepted all costs would be paid by the district he or she is coming from. Once a student is accepted, they do not have to apply each year, they stay until they complete the years to the school they were admitted. There is no obligation to provide transportation; however, if there were 20 students from one town they might want to look into transportation.

Councilor Barton asked how many schools in New Hampshire have open enrollment and Supt. McKenney responded none, Franklin would be the first. Mr. Leigh Webb spoke in favor of the open enrollment plan stating anything that will improve Franklin's schools is a good thing and as long as it does not create any additional expense which has been addressed that there is no additional expense. Representative Horn commented he is very excited about the open enrollment plan. No one else came forth to speak; the Mayor closed the public hearing.

Discretionary Preservation Easement, 2 Punch Brook Road – Request for Discretionary Preservation Easement was withdrawn.

Street Light Energy Project – This project may present a possible 50% savings to the City and would pay for itself in 5.33 years. Mayor Merrifield opened the public hearing. Mr. Leigh Webb asked if the company that was hired, was it hired as a consultant to guide the City in finding energy solutions and are the same company the City is paying now to remove and replace boilers, etc.? Manager Dragon responded it is the same company that put the package together for the City. Subcontractors will be doing the actual work. The company the City hired is the one that is going through the buildings doing energy audits, applying for different rebates for the City, and investigating different financing options.

Mrs. Annette Andreozzi stated her concern is with the technology involved and stated she would like an investigation into a municipality in New England that has done this with lighting for some period of time. She stated she is concerned what if in a few years problems begin to happen and the company that made all the guarantees is no longer in existence and will they pay you the money they have guaranteed to the City. Mayor Merrifield advised there are representatives of the company here tonight so when the Council takes up this project on the agenda those questions can be answered and any other questions. Mr. Leigh Webb noticed that the agenda states the project would pay for itself in 5.33 years and then generate revenue for the City. He asked if revenue is being confused with savings. Manager Dragon stated it would be described more accurately as savings. Mr. Webb also asked are there any other municipalities that have done this lighting. Mayor Merrifield advised when we get to this project on the agenda those questions can be answered.

Representative Horn asked what is the scope of the project and was informed \$165,200 for 500 lights. Representative Horn asked if that would cover the entire community and Manager Dragon responded yes it will. Mrs. Andreozzi asked if the lights downtown that are fairly new would be changed and she was advised they are not part of the project.

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

Comments from the Public

Mrs. Tam Feener, Ward II advised the Mayor and Council that they are still having problems with power outages on Evergreen Avenue. The power was out on March 26th-27th, April 9th and May 27th. She stated she has called the Public Utilities Commission concerning this issue.

Councilor Desrochers stated a resident inquired as to what is being done about the Rowell Auction House building on Route 11. Another resident wants to know what is being done about Prospect Street and a resident wants to know why people are allowed to park in front of St. Mary School both sides and why the snow was not removed in the flats this past winter.

Legislative Comments

Representative Horn asked if there are any questions for him. Mayor Merrifield asked if Rep. Horn is aware of what the Senate might have done with Adequacy Aide and if they have changed anything in the House version of Adequacy Aide. Rep. Horn stated that his understanding is they have not changed anything which calls for 10% reduction in the money coming out which is the best plan they can come up with the Superintendents Association.

Councilor Boyd asked Representative Horn if he is in favor of the Northern Pass Project and Rep. Horn responded he is absolutely in favor of Northern Pass.

City Council Acknowledgements

Councilor Feener expressed his appreciation to Shop Express for removal of the signs advertising cigarettes on their fence. Mr. Bob Lucas and Councilor Feener went and talked to the owner of Shop Express and they were very cooperative and removed the signs. Councilor Feener stated it is nice to have a business downtown that is willing to cooperate with the City and Drug Task Force.

Councilor Desrochers stated he received a call from a resident complimenting the Municipal Services Department on the great job they did with the plowing of snow this winter. Councilor Desrochers also advised he does not know the person's name that is writing these notes but for the past two years when visiting the Holy Cross Cemetery where is Father is buried (he was in World War II) and a

Great Uncle (who was in World War I) and on their stones is a small American Flag placed with a note attached which says "thank you for service, fighting for my freedom, fighting for my future, taking the risk of death to save and protect us. I love you veterans for all the battles you have fought and the soldiers you have lost." Councilor Desrochers stated he wishes to thank whoever this is for their thoughtfulness and patriotism.

Councilor Dzujna thanked Manager Dragon and all the Department Heads for the terrific job they did with Youth Government and thanks to the Elks for their great job.

Approval of Minutes

Motion made by Councilor Feener that the Franklin City Council approve the minutes of the May 4, 2015 City Council Meeting. Motion seconded by Councilor Dzujna.

Councilor Starkweather stated on Page 8 it reads Director to see, and should read Director to sell for the best price. Mayor Merrifield pointed out on Page 1 where it states May 25th is Memorial Day was left out and should read Memorial Day.

All in favor; minutes approved as corrected.

School Board Report and Report on Scholarship Funds Raised

School Board Chair Tam Feener suggested a thank you note be sent to Shop Express for taking down the tobacco signs. Open Enrollment is moving forward and it is hoped Franklin can market their schools in other communities. School Board Meeting and Public Hearing on the budget are scheduled for June 15, 2015. The new Superintendent Dan LeGallo will begin July 1, 2015. Next Liaison Meeting is scheduled for June 23 at 6:00 p.m. and Supt. LeGallo will attend. Paul Smith School Ukulele Club performed at the Fisher Cats Baseball Game on Thursday, May 28, 2015. And, finally the little Brown Shed has been removed. Detailed information concerning the report and important dates is attached to these minutes.

Mr. Bob Lucas, Co-Chair of the Scholarship Program stated they have been doing lots of things to raise money so that the School Board itself can award a \$500 scholarship. It is planned to award one scholarship to a student that is seeking a career in education. Requirements are 3.0, and an essay and the scholarship will be awarded after the completion of the first semester. \$500 has been raised.

Resolution #13-15 – this resolution concerns the Street Light Energy Project

Motion made by Councilor Feener that the Franklin City Council approves Resolution #13-15 concerning the Street Light Energy Project; motion seconded by Councilor Boyd.

Mr. Mike Davey, EEI who has been doing the energy improvement in the buildings for the last year and half offered the following information. The proposal tonight is to change the current lights throughout the City with the exception of downtown. All the lights are currently owned by Eversource and ownership of the lights will be transferred to Franklin. About one year ago the Public Utilities changed the pricing structure because they had so many complaints from many municipalities on the cost of street lighting. The City of Franklin's cost for electricity to operate the street lights is about \$67,000 yearly. The Commission introduced a new pricing structure that allows LED lighting conversion which reduces your wattage by about 50% so the pricing structure reduces your rate by 50% when you go to LED as well as rebates are being offered on a first come basis to encourage municipalities to convert to LED. Currently there is only one City in front of Franklin and that is the City of Manchester so Franklin will be second in line to receive this rebate which will be approximately \$49,000+. The City of Boston has converted many of their lights to LED beginning in 2009 and is using the same product line that is being proposed for Franklin which is Phillips. All Phillips products carry a 10 year warranty and the life of the lights if not hit by lightning can extend over 16 years. Mr. Davey stated this project will pay for itself in 5.2 years and he showed everyone a sample of the proposed light fixture. The fixture is called a road view but there is also a smaller light that would save about \$15,000 from the project and change the 5.2% 2-year payment to 4.96%. The annual energy savings have already been approved by PSNH and have confirmed that the City would save over \$30,000 per year and with a 6-year lease

from CDFA it would be about \$1,000 more than the lease payment with the road focus and with the smaller light it would average about \$4,600 per year, the savings would be about \$4,600 more than the lease payment with the smaller light and a \$1,000 with the road focus. The City will own the lights, however, in the agreement labor for maintenance is included so if one of the lights breaks, the City is responsible for the cost of the light and Eversource will supply the labor but for 10 years the City is covered for any faulty products and the labor is covered in the rate. EEI is also responsible for a one-year warranty on the lights and labor. Councilor Clarenbach asked how bright are these lights and Mr. Davey stated they provide equal light and a more even distribution light and a wider light. Councilor Desrochers asked what the total cost of the project will be and Mr. Davey stated it depends upon which fixture is selected. The road focus which is the wider profile would be \$216,000 and the smaller light would be \$200,000. The rebate is \$49,000. Councilor Starkweather asked if the City could request a lower wattage on these LRD light and Mr. Davey yes you can but what he would propose to do as the first step is to do a lighting audit to determine what is actually out there in the way of numbers of lights. He further stated you wouldn't want to request the lowest wattage everyone, it would depend on the location and what you are trying to do and then work with the engineering staff to create a layout that is best for the City. Councilor Starkweather stated there are lights in the City that serve no purpose and could be eliminated and Mr. Davey stated that can be addressed in the layout. Councilor Giunta commented that in 10 to 16 years the lights will have to be replaced so a capital reserve fund should be set up for the replacement. Mayor Merrifield commented that if the Council wants to set up a capital reserve fund, they can do that.

Roll Call Vote:

Councilor Clarenbach – Yes
Councilor Boyd – Yes
Councilor Feener – Yes
Councilor Wells – Yes
Councilor Dzujna – Yes

Councilor Starkweather – Yes
Councilor Barton – Yes
Councilor Desrochers – Yes
Councilor Giunta – Yes

All in favor of Resolution #13-15, the Street Light Energy Project

Amateur Radio Repeater Site Lease with the Central New Hampshire Amateur Radio Club

Motion made by Councilor Clarenbach that the Franklin City Council approves the one-year non-exclusive lease with the Central New Hampshire Amateur Radio Club beginning July 1, 2015 and ending June 30, 2016. Motion seconded by Councilor Dzujna. All in favor; motion passes.

Other Business

Committee Reports – Councilor Dzujna reminded everyone that June 23rd is the Liaison Committee Meeting and the new Superintendent will be in attendance.

Manager's Update – in the contingency grant line \$109.06 received from Join the NH Clique Grant and \$660.70 a donation for Canine Officer Max from Lion's Community, May Garden and Virginia Snell. Manager Dragon reminded everyone that this Thursday, June 4th is a budget workshop, one on June 9th, June 18th the School is scheduled to present their budget, June 22nd is outside agencies and June 25th is the wrap up workshop. Manager Dragon mentioned that as of late the Fire Department has had a real spike in EMS call and fire calls. The Police Department is also seeing a spike in calls.

Late Items

US Cellular Lease Amendment #2

Motion made by Councilor Feener that the Franklin City Council approves Amendment #2 of this current lease with NH #1 Rural Cellular, Inc. and authorize the City Manager to sign the Amendment. Motion seconded by Councilor Desrochers. All in favor, motion passes.

Presentation and Announcement from CATCH

Ms. Caite Foley advised that she is here tonight to talk about a proposed development that CATCH Neighboring Housing has been exploring. She is joined

by the President of CATCH Ms. Rosemary Hurd as well as Kyle Barker from Orange Street Architects who has been doing the design work for this project. Ms. Foley turned the presentation over to Ms. Rosemary Hurd.

Ms. Hurd advised they are all very excited to be here this evening. She stated she was reminded that she was here eight years ago for a design charrette and now we have the next generation of CATCH ably assisted by our Vice President Ms. Foley of real estate development. Ms. Hurd stated they are a 25 year old, non-profit group that was set up to serve Merrimack County and the affordable housing needs of Merrimack County. She stated they are a little different than most non-profit group; they are very businesslike in their approach to their service that is provided to all of their residents and the cities and towns with whom they do business. She stated they are a very present landlord and they make a huge commitment to the cities and towns they serve. She stated they are very eager to create a long term relationship with Franklin.

CATCH is looking at approximately a 45 unit development that would be a ten million dollar project, one and two bedrooms. They would apply for historic tax credits as they are very committed to restoring historic resources. The project would include the low income tax credit, home fund, community development block grant and some neighbors work American funding. The rents would be \$700 to \$925 monthly and CATCH has their own property management company so they manage their own projects. Maintaining the property and maintaining a safe environment is important to CATCH. Councilor Desrochers asked what income level you will target. Ms. Foley advised they will be targeting 50% to 60% of the area median income, 20% will be designated to those earning 50% or less of the area median income which differs depending upon your household size, for one person at the very lowest 50% the most you can make is \$28,650. On the other hand, the least you can make to live in the building is \$24,000. A family of four can earn up to \$50,000 living in the 60% unit. Councilor Wells inquired if there would be a need to address a traffic issue and was informed that all kinds of traffic studies would be done. Ms. Foley advised their funding applications will be due around the end of August and will be awarded or not by the end of the year and construction would begin September, 2016. Manager Dragon stated CATCH Housing has been a terrific organization to work with and when the tour of the

building was done and learning of the possibilities she stated she was very excited. She stated the building is in a wonderful location near Odell Park and overlooks the river and CATCH has a great reputation and they have designed a very nice and tasteful project for Franklin.

Mayor Merrifield stated he is very excited about the potential with this project and very happy that CATCH chose this particular building and the thought of bringing families to this facility can only help Franklin's businesses in the downtown.

Councilor Giunta commented that some of us have seen these two ladies before and that was during the charrette concerning Franklin for a Lifetime and Ms. Foley and Ms. Hurd were a major part of that study and now here they are going forth with a project for the City. Ms. Foley commented that during the Lifetime for Franklin studies is where she met most everyone and have since seen many of you several times while visiting Franklin. Mr. Barker also was involved in the charrette 18 years ago so he has also been involved in the revitalization ideas for Franklin and Ms. Hurd participated 8 years ago. All this has been invaluable in getting to know the community and what is important and the types of things your residents stand behind.

Ms. Foley stated she has never gone into a City where people were more positive and more welcoming and saying yes, let's get this done, how can we do it together, what can we do, please come in with all of your ideas and let's make this happen. She stated after experiencing that she was very invigorated and believed that she could make it happen and encompass all of the ideals that came out of that, and the shared vision of what we all think the downtown will be and this is a great starting place. She stated she knows others smaller visions will happen in the meantime as there are some very motivated people here and she stated she is happy to be a part of it and is happy that the weekend was shared with her.

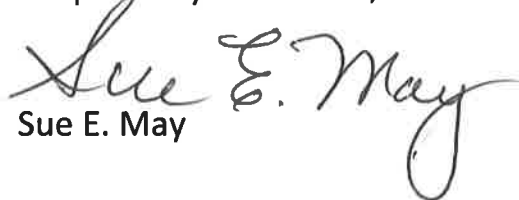
Mr. Barker stated they spent a fair amount of time listening to the people in Franklin and experts that came in during the charrette. One of the things that CATCH will be doing is focusing on the quality of the living spaces not just the quantity or the cost effectiveness and he stated it will not be just another affordable housing exercise but encompass the community aspect and be energy

efficient. He stated the design of the building is going to be a little bit different and will break down into 4 – 7 groups of units. Ms. Foley stated they are hoping to put their building permit application in for the June 24th meeting. City Manager Dragon thanked Mr. Workman for helping broker the deal with the Foresters and as part owner of the building with CATCH housing, it was an important step and Mr. Workman was a big part in brokering that arrangement. Mayor Merrifield also expressed his thanks to Mr. Workman.

Councilor Giunta commented on the problem of power outages and the frequency that they seem to be occurring often which makes you wonder what is going on up on Evergreen Avenue. It appears in that area they are not getting reliable power. Councilor Giunta asked what can the Council do as a group, can a letter be sent to Eversource? Manager Dragon stated she had received an email from Mrs. Feener concerning this problem and the email was forwarded to Eversource and Manager Dragon states she receives responses but just have to keep the pressure on. Councilor Feener commented that if you remember when Eversource came here in March they stated they had solved the problem but obviously they have not. What really is needed is a new line.

***Motion to adjourn made by Councilor Feener, seconded by Councilor Desrochers.
All in favor; meeting adjourned at 7:35 p.m.***

Respectfully submitted,


Sue E. May

**CITY COUNCIL BUDGET WORKSHOP MEETING
JUNE 9, 2015**

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

Absent

Councilor Wells

Salute to the Flag was led by Councilor Barton

Mayor Merrifield advised that he has a conflict and will be going down to the high school for an event and he requested that Councilor Giunta (former Mayor of Franklin) facilitate in his absence.

Section 5 – Page 16
Public Safety – Fire
Fire Administration

Chief LaChapelle began by saying that it is an honor to be the City's Fire Chief and it is an honor to be the coach of a championship team. Chief LaChapelle stated both in the FY14 and FY15 budget times have been very challenging. He stated the Fire Department strives for excellence and there is no room for error. He further stated the department has seen a lot more death this year and more than he has seen since he began working at the Fire Station. The positive that has come from that is they have partnered with LGHealthcare on working on ways to make a safer and healthier community. A bar graph was passed out on number of calls beginning with year 2004 when the department went to 3 people per shift. In Year 2004 calls were 1,504; then the number reduced until Year 2012 at 1,624 calls, 2013 at 1,640, 2014 was 1,673 and to date 2015 has had 787 calls. The average is about 3.5 calls per day. Overlapping calls so far in 2015 are 96 which is

difficult in adjusting personnel. Chief LaChapelle stated this is a very conservative and modest budget. The SCBA Project is most important to the department.

Total Fire Administration up 2%.

Page 17

Fire Station

Chief LaChapelle stated the total for the Fire Station is down 3% and one of the savings water/sewer which is down 17% and the heating oil/gas down 7%.

Page 18

Fire Suppression

Up 2%.

Page 19

Fire Suppression (continued)

Capital Equipment up 400%. The reason for the large increase in capital equipment is the breathing apparatus is 13 years old and typically it is thought they are good for 15 years; however, Franklin Fire Department is the second busiest department in the Lakes Region area and there are fires in Franklin to deal with as well as being a part of mutual aide. The SCBA they are operating with is in accordance with the 2002 standards so two upgrades in standards have gone by which means the technology has changed. Through testing it was determined that the face pieces on the SCBAs have broken down and are not properly giving the secure face fit. Chief LaChapelle commented they could go out and buy new face pieces but for a 13 year old apparatus it is not cost effective. He also advised that with the 70 bottles they have in service 20% of those are out of service. Last year a grant was submitted for this project and the City scored very high but just missed getting the grant. The department has missed on the last 7 grants written. This time a grant writer was hired and round 5 of awarding the grants has been completed and information has come forth that Franklin scored great and has a good chance of getting the grant. Chief stated tonight he brings forth a request for funding of the entire project but they should know by the time the budget is

voted on in July whether the Fire Department has secured the grant. He stated he is not comfortable waiting another year on this project as he feels it puts the firefighters in a bad spot.

If the City does not receive the grant, the cost for the total project is \$215,000 which would be approximately \$42,000 per year for 5 year lease/purchase. If the grant is awarded in the amount of \$136,000, the City's match is \$79,000 which would be \$15,800 per year for 5 year lease/purchase.

Councilor Boyd spoke in support of this project as did Councilor Feener who stated he has seen the condition of a couple of the breathing apparatuses and would not want to wear one going into a fire. Councilor Dzujna asked if the price is for the bigger tank and Chief LaChapelle stated yes the pricing is for the larger tank. There is a 30 minute and a 45 minute tank and there would be some cost savings with the smaller tank.

Chief LaChapelle advised that the operational overtime shift coverage has increased 12% due to the fact they are doing man to man coverage with the shifts. He stated they can no longer have just two firefighters covering a shift, one reason being it is not safe.

Councilor Desrochers commented it takes a rare breed for someone to run into a burning building when everyone else is running out of that building.

Councilor Starkweather brought up the travels the ambulance makes these days and Chief LaChapelle commented they travel other places now like Concord because certain services are no long available at Franklin Hospital.

Public Safety – Police

Chief Goldstein and Lt. Clough were both available to review the Police Department proposed budget.

Chief Goldstein addressed the Mayor and Council stating one would have to live in isolation not to know the issues that surround the police and their work today.

He stated all the members of the Franklin Police Department practice their craft with deepest dedication. The department in 2014 received approximately 45,000 logged calls. Offenses have gone way up; Chief Goldstein stated we are seeing a lot more crime in Franklin. Collisions have stayed relatively level. Arrests have gone down primarily due to dealing with a lot more felonies and they are indicted by the County Attorney so they go directly to his office. The department is dealing with a horrific number of domestic violence calls. Chief Goldstein stated he will continue to have an under- cover officer assisting with Drug Task Force as to date this has been very effective. The department has 7 certified mountain bike officers and recently three graduated from the program in Laconia. This program is used to train officers throughout the State. The officer in Laconia that has run this program is retiring and was so impressed with Officer Clewley that he has requested that Officer Clewley take over the training classes when he retires so the Franklin Police Department will be responsible for training all the bike cyclist in the State of New Hampshire.

Administration – Section 5, Page 11 – Police

Staff Development has increased by 8% due to the requirement for a different type of ammunition and training fees.

Overall Administration is up 4%.

Page 12 – Police Building

Building Maintenance is up 153% and Chief Goldstein explained that the building needs some renovations such as new ceiling tiles, painting, etc. Councilor Starkweather inquired if new ceiling tiles is due to a leaking roof and Chief Goldstein responded, yes partly. Councilor Starkweather asked if that problem has been fixed and the Chief commented it is a constant battle and it seems we are always having someone up there.

Overall Police Building is down 20%.

Page 13 – Police Investigation/Prosecution

Operating Supplies is up 100% partly due to the interview room now is required to have sight and sound. Per the union agreement clothing allowance for two detectives has increased.

Overall Police Investigation/Prosecution up 8%

Page 14 & 15 – Patrol

Machines and Equipment up 19% and Chief Goldstein stated the company they purchase tasers from has reached the end of life and will have to be replaced.

Vehicles is up 46%

Total for Patrol is up 3%

Page 15 – Dispatch

Overall up 1%

Total for Public Safety Police Department is up 3%.

Councilor Desrochers asked how many full-time officers are on staff and was informed there are 19 full-time officers and 2 open positions. Councilor Desrochers asked how many cruisers does the department have in service. Lt. Clough advised there are 9 in service. Councilor Feener inquired as to what the status of the DARE car is and Chief Goldstein stated it needs some repairs. Councilor Clarenbach asked about the various amounts of the lease payments on the vehicles. Lt. Clough advised that two of the vehicles were purchased at the same time.

Section 5 – Page 32

Drug Free Communities

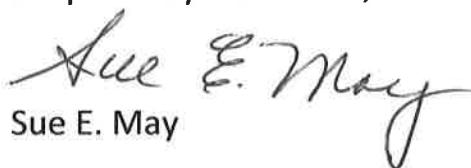
Drug Task Force

Drug Task Force Coordinator Angela Lynch and Manager Dragon offered information concerning the Drug Free Communities/Drug Task Force.

Manager Dragon stated in this budget it looks like a small amount of funds for the Drug Task Force and it is; however, it is because of the way they budget and their grant year is different than the City's fiscal budget year. The City is in the 5th year of the grant and it will not be known until September if the City is approved for another grant. If the City gets another grant at that time the Council would be asked to approve a resolution and the grant funds. Manager Dragon stated she is very hopeful that the City will get another grant because there is a lot of work yet to be done. Councilor Feener commented that he has now been able to attend the Drug Task Force meetings and finds them very informative and they are making progress in getting the word out. Councilor Feener recommended people to come to the meetings. Manager Dragon commented that the first year of the Drug Task Force she asked the kids who participated in Youth Government Week if they knew about Drug Task Force and none were aware. This year at Youth Government when she asked, they all knew about Drug Task Force. Councilor Desrochers stated what bothers him is all the information that the kids are given through the school, Drug Task Force, etc. and we still have a drug problem. Manager Dragon responded prevention is a tough field and sometimes it takes years to see just how much difference has been made. Mayor Merrifield stated he is very grateful for all the Drug Task Force staff and Council for their support with this program as well all the support and effort by the volunteers who do so much.

Motion to adjourn made by Councilor Clarenbach, seconded by Councilor Desrochers. All in favor; meeting adjourned at 7:20 p.m.

Respectfully submitted,


Sue E. May