

CITY COUNCIL MEETING
AGENDA ITEM I



**CITY OF FRANKLIN
COUNCIL AGENDA REPORT**

City Council Meeting of August, 2016

Subject: Approval of Minutes

Motion: "I move that the Franklin City Council approve the minutes of the June 24 & June 30, 2016 City Council Budget Workshop Meeting and the June 28 & July 7, 2016 Joint City Council School Board Budget Workshop Meeting."

Mayor calls for a second, discussion and the vote.



City Council Budget Workshop Meeting Friday, June 24, 2016

Call to Order

Mayor Merrifield called the meeting to order downstairs conference room, Franklin City Hall at 6:00 p.m.

In Attendance

Councilor Clarenbach, Councilor Starkweather, Councilor Barton, Councilor Giunta, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon, Finance Director Milner and Mayor Merrifield.

Absent

Councilor Desrochers.

Salute to the Flag was led by Councilor Dzujna.

Mayor Merrifield stated that this evening is about coming up with a clear direction. City Manager Dragon explained what a \$100K, \$600K and \$1.3M increase in appropriations would increase the tax rate and what the affect would be based on \$150K and \$200K home values. City Manager Dragon then shared information because it has been reported that Franklin has the lowest per pupil cost and if you include the schools grant number of \$1.8M into their budget then the per pupil cost becomes \$11,965.42, not \$10,269.08 that's being reported, and based on that number we are not the lowest. Finance Director Milner did speak to The Department of Education and confirmed that the school district is not reporting the grant dollars in their numbers and they should be. The Department of Education did also say that there are a handful of SAUs that do not do this. Finance Director Milner was asked to verify is it true that 1400 out of the 4500 housing units in Franklin are subsidized.

In 1998 Franklin's school tax dollars prior to adequacy was 8,900,258 and in 2016 it is 8,989,931. Finance Director Milner confirmed that per State Law Franklin will be eventually receiving about half (\$4M) of State Aid reduced 4% per year until the \$4M is zero. Mayor Merrifield stated that per current law the State can take away half of the money Franklin used to get before Claremont. Finance Director Milner stated that Franklin is 186 high out of 260 for the equalized tax rate which is above average. Mayor Merrifield was surprised at that being twenty (20) years with a tax cap he thought we'd be closer to average.

City Manager Dragon spoke about the tax rate sheet and added the cities/towns that the School Board compared Franklin too and if you look at what Franklin is spending on school

funding we are at 62% and we are falling right about in the middle of all the cities/towns on the sheet.

Mayor Merrifield stated that the Mayor of Dover contacted him as they have already started litigation against the State. City Manager Dragon also gave the Council some comparisons from the departments based on cities/towns that are close to Franklin. That was done based on the School Board's comparisons of Franklin to other cities/towns so to give a clearer picture of all the cities departments against other cities/towns.

City Manager Dragon stated that if the School Board had gotten their tax cap allocation, all their revenues, no loss from adequacy and no loss from Hill they are still over by \$660K because they are asking for quite a bit more than their allocation would have been. The revenue shortfall is \$426,014. If the Council was looking to make them whole that is what the Council would have to fund. Mayor Merrifield asked to clarify how the \$426,014 was derived at again. Finance Director Milner explained that you take out the food service and net the others including the net of the \$41,470 they received as the district appropriation. City Manager Dragon explained this is a one-time solution and won't help them moving forward.

City Manager Dragon offered a solution to fund the \$426,014 from the City which includes FY16 fund balance remaining funds of \$250K, FY17 capital reserve fund – Bldgs appropriation of \$147,577, Webster Station taxes of \$12,515, Mayor salary & expenses of \$2,153, Councilor Zink salary & expenses \$323, Recycling Tipping Fees of \$13,446 for a total of \$426,014.

Councilor Boyd asked if the School Board would be happy with this. Councilor Clarenbach stated probably not. Councilor Boyd asked what will it take to fund the school. Councilor Giunta stated breaking the tax cap but many of the residents of Franklin can't afford that. Councilor Dzujna asked that if we break the tax cap that is for this year only and what about next year they will be back looking for us to do that again. If they were looking for a one-time large expense that would be different but to break the tax cap for operating expenses is just not the right thing to do. Councilor Boyd asked if they get this money that they will be able to work with this. Mayor Merrifield stated he doesn't know but it is a step in the right direction. Councilor Dzujna stated the School Board has not come in under the cap and the City has. Dept. Heads have made cuts so why can't the SAU reconstruct their Administration and make cuts. Do they need Administrators or do they need teachers. Councilor Zink asked about the other capital reserve funds. Mayor Merrifield stated that these are funds just sitting in an account and have offered it to the School Board but they haven't stated they are going to use them. Councilor Boyd asked about how much money we are losing from Hill. We have lost 118 students and \$102,855.

Councilor Clarenbach stated that he is willing to look at stretching the cap but we have to look at how many years and what are we going to get back. There is no question that the schools are a big calling card for the City of Franklin. There are a lot of reasons that other people see our schools as poor. We are not getting the same value out of our dollar as other communities

are. You look at Dover and there is no one in Dover that feels they are not getting a good education and they are only a few hundred dollars per pupil cost difference than us so where is the imbalance. If you want to talk about the capital piece and we don't put any more money into it for the next three (3) or four (4) years until Northern Pass comes then that is a decision this Council is going to have to make. If we have to stop raising the Fund Balance then that decision has to rest here but it would be my vote not to do that unless we saw a plan we are going to invest in our schools and going to see a turnaround not just to give them money to hold an established fund as that is not going to work. However we are going to reinvent, we are clearly doing something wrong as the image isn't there and that there isn't the delivery to the students. You ask the students and they don't feel they are getting a good education either. The problem is the School Board feels the 65/35 is a big deal and the Council can change that to 50/50 of the new tax money which won't get them very much but they feel the Council needs to come up with the solution since they hold the money. The City has MSD, Police, Fire & Public Safety, Library and Rec that provide very good services without any State support. Mayor Merrifield interjected and stated that Franklin is the 12th largest recipient of State Aid so if you look at that per capita we are probably the largest. Councilor Clarenbach restated that the challenge is that we have to engage the School Board to change and we have to relook at everything. With large numbers of properties subsidized and owned by landlords who don't care about Franklin schools, how do we turn the tables to engage younger families to make a venture on Franklin. Councilor Zink stated that elementary school education numbers are off by \$6K, where the high school numbers are in line with Concord, so why is the elementary school so far off. It is a fact that if you fall behind on reading by 3rd grade you never catch up. We need to be funding the elementary education as we could bus the high school kids to Concord and not have an issue. Councilor Zink then asked about the Food Service revenues and the power point and Finance Director Milner stated that the reason is that our number is off their projected revenues and Superintendent LeGallo did state it went down quite a bit.

Councilor Giunta stated that he agrees. The School Board has a \$450K salary increase in a time when they knew their numbers were going to tank in the first place. He stated his frustration in having to shift numbers here and there with no return on investment just to have to be back here next year but there has to be a breaking point.

Councilor Zink asked about what is in the charter that specifies the ratio. Mayor Merrifield stated there is nothing in the charter that specifies the ratio of the new money. Councilor Clarenbach states the County has been flat for the last several years and they take their cut first and then we take our 65/35 cut. In years past the County has taken the entire amount. Mayor Merrifield stated that it is up to the Council. Councilor Clarenbach stated that you would have to change the manager's budget with five (5) votes from around this table to decide where the money goes or doesn't go. Mayor Merrifield stated that it is the Council who adopts the budget and decides how much money goes to the school and City and that is how the decision gets made. Councilor Zink asked if there can be a team to look at changing the ratio in the future of the money as they are losing 4% a year. Councilor Clarenbach stated that this is new money

you are talking about and the amount they are losing and the amount of new money coming in aren't in the same ballpark. He did state this is a short term fix but agrees with Councilor Giunta that there needs to be a return on investment and before going over the cap without having some defined return. He doesn't want to play politics with the students and each year we miss an educational year we won't make up but it is getting everyone to the table to do what is best for the community. Councilor Dzujna stated if we can't get the school district to be fiscally responsible for their budget that is when we have to get an outside consultant. Councilor Zink stated she made a recommendation to the School Board to contact the Superintendents Association as they can pull together a group of retired Superintendents and they would come in and do an evaluation, not sure where that will go.

Councilor Giunta stated he worries about the network that if the group comes in and asks what do you need as they will listen to us, he stated he would rather go with an independent outside company but appreciated her looking into it. Councilor Starkweather stated that in the last two meetings that the Superintendent didn't say a word. Mayor Merrifield stated that no matter what happens in the next two weeks, we have a significant problem in the future. Councilor Wells stated that he thinks in their budget the Behavioral Specialist/Assistant Principal are two people and how can you hire support staff when you haven't hired the Assistant Principal yet. He was originally opposed to the consolidation as he didn't feel the City needed to be looking over their shoulder but now he is in favor of consolidation 100% as he feels they don't know what they are doing.

Councilor Zink asked why they only chose classroom teachers to cut and nothing else. If you look at what they spend in janitorial fees, \$600K, and that amount isn't spent across all municipal buildings, has anyone looked into that. She then stated that maybe it's because on the City side it is done by outside services so there are no benefits that have to be paid out. She then pointed out the class sizes that the School Board are pointing out. She would like a way to have integrity or trust of the numbers are right now as they are just on a piece of paper. Councilor Boyd pointed out that nobody takes notice that their maintenance staff has done a fantastic job keeping the grounds and place looking great. Councilor Starkweather stated that maybe they should have something like a forensic audit done. Councilor Dzujna stated he is against giving this money to them until they tell us where they are with budget changes. Councilor Clarenbach stated he doesn't mind giving this one time money with the understanding that we need to get the meetings going. Mayor Merrifield asked what the consensus is on the money. Councilor Dzujna stated we should ask them what they are going to do in the long run. Councilor Clarenbach stated he agreed with Councilor Dzujna and we shouldn't start with this offer. He then went on to say their number was \$1.1M then they upped it the night they presented it to us to \$1.6M. Then they cut it back to \$1.1M and are looking to us for the rest. Mayor Merrifield interjected and stated that he has read their minutes and they have accepted many versions of a number and it is hard to keep track of that number.

Councilor Zink asked what the Council thought if we asked people if they wanted their trash picked up they have to pay for it. Councilor Clarenbach stated that you would hurt the residents as that would be disproportional to everyone. Councilor Dzujna stated a problem he sees is with the absentee landlords would they actually pay or would they let it pile up or put it with other people's trash. Councilor Boyd stated he had people doing work for him and they were charging user fees for dropping off construction debris at the transfer station and he didn't know that. Councilor Starkweather stated that many people don't take their trash out.

Councilor Boyd asked are we going to give them the \$426K. Councilor Clarenbach stated he is good with giving the \$426K but with the understanding that an outside party needs to come in and look at the direction of the school as we are revenue stricken. We can't run this community on emotions and have to start putting things on paper. Councilor Boyd stated lets be cautious this year and let's get on this early for next year.

Councilor Starkweather asked where the housing number came from and Finance Director Milner stated it was from HUD. Councilor Clarenbach stated that there are ways to force landlords to come into better compliance with inspections.

Councilor Giunta asked how we present this number and the stipulation without it turning into an argument. Councilor Dzujna stated that he is constantly getting questions about why the Council is just sitting there and taking the abuse and not saying anything. He stated we have to get more information out to the public so they are better informed.

Councilor Zink asked how will we do the presenting as they went first last time do we go first this time. Councilor Giunta stated should the Mayor have a conversation with School Board Chair about this number. Councilor Barton stated that they are the ones over the tax cap so we should ask them what have they done to come closer to that before we present our number. City Manager Dragon stated that if we did a 50/50 split they would get an additional \$35K. They meet on Monday and if there is any discussion of this number then when the Joint Meeting happens there is an opportunity for them to come back at the Council with whatever.

Councilor Dzujna asked how bad does this hurt us not putting funds into the fund balance. City Manager Dragon stated this does not hurt us too bad as we just have less going in the fund balance this year. Councilor Zink was looking at the taxes and asking if the \$426K adds to the taxes they would be getting. Finance Director Milner stated no it would be a transfer from our budget to theirs. Mayor Merrifield stated that these are already funds collected not new taxes.

Motion: ***Councilor Zink moved that the Franklin City Council cancel the July 5 City Council Meeting and move it to July 11, 2016. Motion seconded by Councilor Clarenbach.***

All in favor; motion passes.

City Manager Dragon reminded that we need to remember that we only have until July 15 to post the hearing. Mayor Merrifield stated if we don't come to a consensus then the manager's budget becomes the default budget as July 27 is the deadline.

City Manager Dragon spoke about the MSD contract and in the first year they agreed to the steps and COLA. They also agreed to a boot allowance increase from \$200 to \$225. Councilor Zink asked is SELU their agency as there are three (3) different ones bolded.

Motion: Councilor Boyd moved that the Franklin City Council agree to the two (2) year agreement from July 1, 2016 through June 30, 2018 between the City of Franklin and the SEA of New Hampshire (Municipal Service Department Employees). Motion seconded by Councilor Giunta.

All in favor; motion passes.

Councilor Wells stated that when they get into the strategic plan that he has a person who would be willing to be the facilitator and would do it for free. If the City Council would be willing to do a donation to HealthFirst that would be great as well.

Motion to adjourn made by Councilor Giunta, seconded by Councilor Clarenbach. All in favor; meeting adjourned at 7:36 p.m.

Respectfully Submitted,

Lauraine G. Paquin



City Council Budget Workshop Meeting Thursday, June 30, 2016

Call to Order

Mayor Merrifield called the meeting to order downstairs conference room, Franklin City Hall at 6:00 p.m.

In Attendance

Councilor Clarenbach (arrived at 6:30 pm), Councilor Starkweather, Councilor Barton, Councilor Giunta, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon, Finance Director Milner and Mayor Merrifield.

Absent

Councilor Boyd.

Mayor Merrifield thought they were closer than he thought if you go with the number the school board approved back on 5/9 and 5/16 according to their minutes based on \$15,764,000. He thought given the \$464K they presented in savings at their first (1) joint meeting and the \$57K at the second (2) joint meeting and then the \$426K after their last workshop that they would be right there and he included food service. The shortfall the Mayor's sees is about \$600K. Finance Director Milner explained that if you look at what they handed out they say at the bottom how much they are off and you have to subtract food service that is the amount of the general fund. You add in the \$426K into the revenue side and then you add in the \$260K to get the \$505K and the Mayor stated that he was not sure there was a consensus of taking the \$260K from the School Board but School Board Chair Husband was talking about it. The Mayor asked if this includes the \$57K that they were speaking about. He states it is not included in this document but was brought to the table. Councilor Dzujna stated it was verbal and last minute. Finance Director Milner stated that the new budget number on the June 28 hand out includes the \$57K.

Councilor Giunta asked how the Councilors felt when they presented the \$426K and the School Boards response was that's it. Councilor Giunta felt insulted and that the School Board Chair was the one who directed us to come back here tonight. Councilor Dzujna stated the School Board has a charge to get under the tax cap per the Charter as does the City Manager. The City Manager has been coming under the cap for the last six (6) years and the School Board has not. Councilor Dzujna stated he does not want to take it from the fund balance or break the tax cap as what will happen next year.

Councilor Desrochers stated he is not going to give anything as they have done nothing at this point. We offered \$426K and all of them stared at us with no gratitude and it is the same thing

at every meeting and why is their budget \$1M more this year than last year. It is time to renegotiate the contracts with the teachers as it is supposed to be for the kids but it seems it's for the teachers. Councilor Starkweather stated that the Superintendent hasn't said a word the entire proceedings since he came in with them. Councilor Dzujna stated that all the arguments that the School Board brought up are great arguments for consolidation. Councilor Wells is in favor of the \$426K this year and no more next year.

Councilor Zink asked that if the manager's budget becomes in effect, how much does that hurt the City. Mayor Merrifield stated it leaves the City as whole as can be and the school dept takes a hit. Is there anything left in the budget to trim to give them \$122K. Mayor Merrifield stated that no there isn't a place to go to get that kind of money out of the operating budget.

City Manager Dragon stated that the school is unhappy that the City didn't cut their budget even though we found money to give them. She stated she finds it hard to cut services just to give the school more money to spend on less students. The City has had downshifting from the state and have had huge losses in revenue but have found ways to get through that by cutting staff, changing the way we do things (for example we cut hours at the transfer station). Mayor Merrifield stated that the City Manager has been creative in bringing in new revenue. Where's the school's solar project and why don't they have solar panels on the schools to bring in revenue. Why is there an alternative school in a rented building when you have an empty second floor in the junior high wing.

Councilor Giunta stated that it gives false hopes to give them the money without making them do something as it will be difficult next year. Councilor Dzujna stated that they should restructure the administration before cutting the teachers.

Councilor Dzujna asked that if we go to the 27th and the manager's budget goes in does the \$426K come off the table. Mayor Merrifield state that is correct as it is not part of her budget. Mayor Merrifield asked for a consensus about the \$260K. Councilor Clarenbach stated that is their decision. The Mayor stated that the Council can appropriate and put it in their budget. Councilor Clarenbach asked if they can use it without Council permission. The Mayor stated no the Council has to decide to give it to them. Councilor Giunta stated we shouldn't do it as School Board Member Brown was not in favor of it. The Mayor stated that strings can't be put on per the governance, the Council decides the amount of money and that is it. Councilor Clarenbach stated that if they are truly interested in a City working in unison that is where you get the buy in that they have to start showing the deliverables.

Councilor Clarenbach stated that the challenge is the City is going to get beat up for doing good work and the school is going to take the extra money for not doing good work and that is what is going to have to happen if everyone wants to work together. The Council is going to have to trust the school and that isn't there currently and that is where the first step has to come from. When the meetings start there has to be clear direction.

Councilor Zink stated that if you look at regionalization it looks like Concord is closer to what we pay as Winnisquam looks to be about \$4,000 more. Mayor Merrifield stated that to tuition out our students is a desperate move but we may get there someday. She agrees trust in the numbers has to be there but not sure how to do that. You state it is not there in the City Charter so do we look at making changes to the City Charter or how do we get there. Mayor Merrifield stated that everything is subject to change by the voters as the tax cap is in place because of the voters not because of the Council. Councilor Giunta stated that when we talk about the cap he was shocked that Franklin is still in the lower third. When the School Board was talking about building a School District to attract families to come here but if Franklin is still in the lower third of the tax bracket and you have a 10% tax increase how do you attract people.

Councilor Clarenbach stated he agrees we can't raise taxes but that the challenge is that the school has to have adequate funding so they are not at the bottom of list as presented in the State because there aren't any other children who will come to the schools other than tenants because of the shrinking families due to the housing issue with section 8's.

Councilor Giunta stated it is not the teachers fault as when you test students in 1st grade and again in 8th grade the ratio is only 1 in 5 of students who are still there from 1st grade. This shows we have a transitional population and it is difficult to get out of this cycle. Councilor Clarenbach stated how do we deal with the transient population and the housing population. Mayor Merrifield stated that Franklin can't raise the money it needs to adequately educate these kids. Councilor Dzujna asked with the amount of kids coming and going through out the school year how much do the teachers actually teach.

Councilor Zink stated that the gap in 3rd grade and we are educating the kids at Paul Smith at \$6K and at the High School at \$12K so who can we talk to get an understanding as to why and who do we talk to about a lawsuit. Mayor Merrifield stated that he hasn't heard back from Senator Hosmer. It is going to require a coalition of cities and towns and there is a letter that is expected to go out to all cities and towns. The City of Dover's lawsuit began a year ago and they were expecting to hear a decision by today from Superior Court. Councilor Zink asked should we start a process and the Mayor replied that he believes we have to. As the Mayor stated the other night, Franklin cannot survive as a community with what the State Law tells us today. City Manager Dragon stated that Dover created the problem for us in 2015. Mayor Merrifield stated their lawsuit is specifically about the cap but it has affected the stabilization aid.

Councilor Barton stated that we just offer the money to them or we go to the default. Mayor Merrifield stated we should not visit the concerns on the management of the kids. If it goes to the manager's budget it will hurt the kids.

Councilor Clarenbach suggests we leave the \$426K on the table and give them the \$260K if they want it but it just makes it harder for them next year. It needs to be clear that the fund balance

is not for a light sprinkle rainy day fund and it is truly for a dire need like the bridge going out. The fund balance needs to be clearly understood what it is by everyone so there isn't a political play next year as this is going to be a problem for the next three (3) years. The NH Retirement system will have a 30% increase next year so not sure how it is all going to fit in over the next three (3) years. Councilor Wells stated that for a very long time the solution to education was to throw money at it but that doesn't work so they have to buckle down and make it work.

Councilor Zink stated that the papers they gave us are hard to understand. Councilor Clarenbach stated that shows him that they don't have priorities of what they want. They say they are cutting 24 teachers but then they are adding 3 new teachers then they want all the teachers so they aren't prioritizing them. Councilor Clarenbach stated that one of the letters he got stated that study hall students are being put in the back of classrooms that are being actively taught in and that there is a lack of substitute teachers so they ask teachers regularly to cover two (2) classes at the same time so how is that beneficial to anyone? Some of the choices and tactics the School Board chooses are not in the best interest of the children.

Councilor Giunta asked if we offer the \$260K or wait for them to ask for it. Mayor stated it is under your control. Councilor Wells asked if they have to make a motion and the Mayor replied that is a good idea as it will give clarity as to what is being presented.

Motion: ***Councilor Wells moved that the Franklin City Council give the School Board \$426,014.00. Motion seconded by Councilor Giunta.***

Councilor Clarenbach stated that to leave the additional \$260K open and it will be up to the School Board to request. He does believe that it needs to be with the understanding of what they intend.

All in favor; motion passes.

Councilor Zink asked that we were meeting on the 7th and the City Council meeting is on the 11th. Mayor Merrifield stated that essentially they could set the public hearing but City Manager Dragon stated the date would have to be different as it has to be ten (10) days and Finance Director Milner stated you can't include today. Councilor Clarenbach asked if they are required to set a public hearing and the Mayor stated that if the Council doesn't act the manager's budget takes effect. Councilor Clarenbach asked if they are not required to do a public hearing on the manager's budget. Mayor Merrifield stated that if they don't take action they are taking inaction and the manager's budget takes effect but this is unchartered territory so that would be something to clarify with Attorney Fitzgerald.

Councilor Wells asked that with the motion just passed adding money to their budget would that money be added to the manager's budget. Mayor Merrifield stated that you did not adopt a budget and can't adopt a budget without a public hearing. City Manager Dragon stated you

would have to make the date by July 15 to hold a public hearing otherwise it will default on July 27th.

Councilor Giunta stated that we present the package to the School Board based on the motion we made. Councilor Desrochers stated he agrees with Councilor Giunta that this is what we are offering and not to have any more meetings as we have no more to offer. Councilor Barton stated that they need to take it or leave it as their two options. Councilor Clarenbach stated the Council should send them a letter with the outcome of this meeting so when they have their meeting on the 5th they know where the Council stands so when the Council and School Board have their joint meeting on the 7th there will be an answer.

Councilor Zink asked do we need to set a public hearing on the fire truck and the water rates. She also asked do we want to meet on the 11th or do we want to move that to the 25th.

Motion: Councilor Zink moved that the Franklin City Council move the City Council meeting from July 11th to July 25th. Motion seconded by Councilor Clarenbach.

All in favor; motion passes.

Motion: Councilor Zink moved that the Franklin City Council set a public hearing on Monday, August 1, 2016 at 6:06 pm on Resolution #02-17 authorizing to borrow \$650K for a fire truck. Motion seconded by Councilor Desrochers.

All in favor; motion passes.

Motion: Councilor Zink moved that the Franklin City Council set a public hearing on Monday, August 1, 2016 at 6:07 pm on Ordinance #01-17 municipal consumption rate to \$6.06 per 100 cubic feet. Motion seconded by Councilor Dzujna.

All in favor; motion passes.

Councilor Clarenbach read Resolution #02-17:

A Resolution authorizing the City to enter into a bond/note/lease with Franklin Savings Bank to fund a new fire truck.

In the year of our Lord, Two Thousand Sixteen,

WHEREAS, the City Council recognizes engine 1 is 28 years old, in poor condition and in need of replacement, and

WHEREAS, the City Council wishes to replace engine 1 and finance this project through the Franklin Savings Bank or other potential sources of borrowing, and

WHEREAS, the City Council wishes to utilize the applicable appropriation from the recently expired trash truck & recycling program lease payment to fund the bond/note/lease payment, Now

THEREFORE, BE IT RESOLVED at the scheduled meeting of the City Council on Monday, August 1, 2016, the Franklin City Council, Franklin, New Hampshire does hereby support the replacement of engine 1, supports the use of the retired trash truck and recycling program lease monies for annual funding payments and authorizes the City Manager and/or Mayor to move forward with the application process through Franklin Savings Bank for a note not to exceed \$650,000 principal with a 10 year payback period and sign all necessary paperwork by a roll call vote.

Councilor Clarenbach read Ordinance #01-17:

AN AMENDMENT TO THE FRANKLIN MUNICIPAL CODE:

In the Year of our Lord, Two Thousand Sixteen;

Be it ordained by the City Council of the City of Franklin that the Franklin Municipal Code, Chapter 160, Fees, 160-1 Fees charged for service by the City of Franklin Water/Sewer Department be changed as follows:

	<u>Current Fee</u>	<u>Change To</u>
Water Commodity Charge Per 100 cubic feet	\$5.81	\$6.06

Fee to be effective July 1, 2016 by a roll call vote.

Motion to adjourn made by Councilor Desrochers. Seconded by Councilor Dzujna. All in favor; meeting adjourned at 7:21 p.m.

Respectfully Submitted,

Lauraine G. Paquin



Joint City Council & School Board Budget Workshop Meeting Tuesday, June 28, 2016

Call to Order

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

In Attendance

City:

Councilor Clarenbach, Councilor Starkweather, Councilor Barton, Councilor Giunta, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon, Finance Director Milner and Mayor Merrifield.

School:

School Board Chair Husband, School Board Member Dow, School Board Member Brown, School Board Member Hallett-Cook, School Board Member Grimm, School Board Member Burns, Superintendent LeGallo and Business Administrator Bergquist .

Absent

City:

School:

School Board Member Tremblay, School Board Member Gargano, School Board Member Carter.

Salute to the Flag was led by School Board Member Burns.

Mayor Merrifield mentioned that he spoke with the Mayor of Dover as they are in litigation with the State about the adequacy fund and there should be hearing and a decision within a month. That should give us a good idea where the courts stand on it. It appears that Dover was challenging the 108% cap on school funding specifically and it doesn't appear that applies to Franklin but the courts could reach beyond that and make the whole school funding unconstitutional and then the State would have a problem.

At the June 24 City Council meeting Finance Director Milner did confirm that per State Law, Franklin will be receiving about half (\$4M) of State Aid than what it receives now (\$8M) which is an amount lower than before the Claremont lawsuit. Mayor Merrifield stated he is going to continue looking into the possibility of litigation with other communities because Franklin is not the only one in this situation.

Mayor Merrifield wanted to reiterate for everyone the timeline for this year's budget. The City Council will have to establish a date for the public hearing and publish a resolution describing all the areas of the budget by July 15 in order to adopt a budget that is different than the City

Manager's budget. Otherwise on July 27 the City Manager's budget will become the default budget.

Mayor Merrifield stated that the City Council had a workshop on Friday evening to discuss what they could offer to the school district to help close the gap between their budget and the revenues they have. Mayor Merrifield stated that City Manager Dragon has proposed a package that fully funds the revenue difference between last year's budget and this year's budget. The largest component of that is the City has a surplus of \$250K this year, capital reserve fund appropriation of \$147K, new taxes for Eversource's Webster station approximately \$12K, Mayor and Councilor Zink's salary, recycling and tipping fee change since budget creation for a total of \$426,000.14. Councilor Dzujna stated that at the workshop he wanted to thank the City Manager and Dept. Heads as they whittled down their budgets to get below the cap and then here they are again finding more money so he just wanted to thank them again.

School Board Chair Husband thanked the Mayor for coming up with the extra funding for the school. Last evening he stated the School Board met and they were able to find an additional \$57,793.40 they were able to cut from the budget. Based on his calculations with the money from the Council they are still \$505,199.00 different. School Board Chair Husband thanked the Mayor for his explanation on the adequacy funding and wanted to know where the Council wants to go next. Councilor Clarenbach stated in their meeting on Friday that this money brought forward is one time money and not brought forward into next year or recurring. Somehow we need to take the short term problem and address it as a long term problem as we will begin roughly \$750,000 short for next year not even taking into account of the adequacy fund that we will be losing. School Board Member Dow stated that they did speak about using the Special Education and the Capital Reserve but are afraid to use it as they won't have it when they will need it and then how do they refund it. Councilor Clarenbach did state that the Council has the ability to fund it if there is a short fall in education as the money is pooled together just as we have been trying to build up the fund balance for a rainy day. Mayor Merrifield added that when Rowell School closed he proposed to the School Board to use the \$160K to prevent the closing of the Rowell School and the money is still there. School Board Member Hallett-Cook spoke that there has been a change in the law that parents who are using opioids, if DCYF became involved in their life, they will have to prove themselves fit parents DCYF will not have to prove them unfit which has the potential to bring large amounts of children into DCYF care. Once a child comes into State care they must be tested for an IEP and if necessary provide one. There are not a lot of foster homes in this area and if this area gets hit hard the children will also be placed out of district which means Franklin pays for the out of district cost and that has the potential to be a huge hit on this upcoming year. A big concern for touching that special education trust is a large number of kids needing IEP's and being placed out of district.

Councilor Giunta stated that this is it from the Council of extra money so the question back to the School Board is, "Does that get us through this year and can you make it work"? School Board Chair Husband stated his first response is no and we are going to have to make

reductions and cuts and lose staff. His second response is that we've been talking that this is a community problem and we talk about things that don't impact the City's budget long term or shifting anything long term. All we've done is talk about the problem that will be bigger next year. There is an interim problem right now and it's raining and next year it will be a monsoon and this is a community problem. Councilor Giunta stated that the Council is not saying that and they talked at length Friday night about asking the School Board to start looking at outside agencies to start evaluating at looking to reduce costs, which is going to be a stipulation of this money. Councilor Giunta gave an example about speaking with a young man who took all his courses online rather than attending college due to costs. School Board Chair Husband stated that he is hearing that the Council has done what it can and they want the School Board to cut \$505,199.00 from the school's budget and it is a take it or leave it package and it's up the School Board to cut the rest. Councilor Giunta then stated if we all agree that \$505K is that number as the numbers have changed a lot but he didn't agree with the second half of School Board Chair Husband's statement but he did agree to the first half of his statement. School Board Chair Husband stated that we are still overlooking on how we spend our money.

School Board Member Hallet-Cook stated that an audit of all our money, City services and school, and figure out where our money is going and how it can be streamlined. She agreed with Councilor Giunta that online is how most colleges are going but Franklin can't go that route as computers were cut from the budget so they have a unique issue. We can only cut so much as we have contracts that we have to honor. It's coming down to cutting athletics and not putting an art teacher back in the elementary school and not doing for the kids.

Councilor Clarenbach stated that we have come a very long way from \$1.6M to roughly \$245K but we then have to have very lengthy discussions on how we can guide our community through some difficult times in the next several years. That needs to start, like the Mayor said in September, and it needs to be on an every other week basis or whatever it needs to be to move us forward and if we need a mediator to help lead us then we will do that. Fund balance is not something we can say for whatever, it is for a one time dire emergency.

School Board Member Dow spoke about the \$82K for the fire truck that the Mayor offered to the school and would that have to be paid back. City Manager Dragon explained that this is money that is used as a place holder in this year's budget as it takes a year to build the truck and then next year the actual lease payments will begin. He then stated that he has had a conversation with Walmart to get a grant for supplies and is also looking at a grant program through Target. He is also looking at a program called "Every Child is Ours". This is a national program for elementary children and helps with the needy for supplies, food, breakfasts at school, and clothing. Tilton/Northfield just started their own chapter and was awarded \$5,000 to help with this program from the New England Patriots. They are looking to start their own chapter or join on with Tilton/Northfield. They are researching many avenues since cutting supplies and many teachers use their own funds to buy supplies currently.

Councilor Dzujna asked the School Board if they looked hard at the administration at the SAU. School Board Member Dow stated that the SAU budget is a different budget and we have not looked at that. They were able to cut \$11K from the HS principal's salary and also voted to freeze the administrative salaries.

School Board Member Brown stated they also looked at the Health costs and were able to bring everyone on line with the same health insurance which has reduced the budget significantly. The teachers are the only ones on a different insurance as they have a contract.

Mayor Merrifield asked is there any willingness from the board or interest in the \$160K from the Special Education or Capital Reserve. School Board Member Brown spoke as an individual and not a board member but her comfort level is for \$100K in total and no more. There are buildings that need maintenance and repair and for special education if we had people come here and don't have the funds to cover the costs it would have to come from the regular education funds.

Councilor Clarenbach stated this is a long term problem and there are very few places to get additional funds. There is fund balance for a rainy day and breaking the tax cap as really the only places for additional funds. The challenge is the City has come forward with \$426K one time dollars and the \$260k would be the same thing and your budget would have to find this money next year. Based on the meeting Friday night, there are not six (6) votes around this table to break the cap.

Councilor Dzujna wanted to make sure everyone knows what the fund balance means. He explained it is a way for the City to get credit, to get bonds, and to be in good shape as a City. If any money is taken from the fund balance it is money that is not going to be there next year. He asked Finance Director Milner that if we were to take \$200K from the fund balance where does that drop us too. Director Milner stated that would drop us 10% of our current balance as we need another \$1.5M to get to our 15% as we have been slowly working towards that. School Board Member Brown asked what is the balance of the fund balance and Finance Director Milner stated \$2M. Mayor Merrifield explained that the fund balance is the rainy day fund for when something catastrophic happens that we would be able to pay the bills for two (2) months. Councilor Clarenbach explained as the fund balance goes down the Council would not be able to do anything without doing an emergency taxation and would have to send out additional tax bills for an additional reason of taxes if there was nothing in fund balance and there was an emergency. Councilor Clarenbach is not in favor of taking money from the fund balance.

City Manager Dragon gave a history on fund balance. Seven (7) years ago the Council adopted a policy on fund balance. The goal was set to meet 15% in case of a catastrophic event or revenues didn't come in as expected it would cover costs for two (2) months at the 15% fund balance number. We are currently at the 10% level and that is not by accident. That is by years of work and watching the budget. Every year at about six (6) months in we begin watching the

budget as it is never budgeted with enough money for a worst case scenario in any dept. We monitor the revenue and expenses at six (6) months in and only release what is needed to get through the next six (6) months and then as a group it is looked at what is absolutely needed and what can be released that can go back to fund balance. That is how the fund balance as we have been able to grow it, through a conservative approach.

Councilor Zink asked about the audit and asked if that money can be released. School Board Chair Husband stated that is already there as stated in the last meeting. Mayor Merrifield clarified that only a portion of it is there. School Board Member Brown stated \$150K has been released and \$100K is being held. School Board Member Brown stated that they have the same philosophy when looking at their budget and since she has come on they have frozen their budget as well to get through the year. The needs are still there even when freezing it.

School Board Member Dow asked if the Council has looked at reallocation of tax revenue and where does that stand. City Manager Dragon stated that was discussed at Friday's meeting and you will be surprised as if this year's new revenue was split 50/50 you would get \$35K more. The money that is split over these two (2) budgets is not a great big number. School Board Chair Husband chimed in and stated that he is not talking about new money he is talking about how we spend our money as a community. Has there been a look at the City budget and allocation and the entire picture to see if anything can be done. He stated that he feels stonewalled and feels that when Councilor Giunta stated that was it he felt that one part is sacred. He then stated he doesn't hear them having the conversations.

Councilor Clarenbach stated that first off the City budget was under the cap and the school budget was \$1.4M away from the cap and that's the first starting point and the numbers aren't comparable one to the other. The City Manager already cut the Dept. Heads request to get it under the cap. For the school to get it under the cap is worse than what is on the table and being offered to you tonight. This isn't a take it or walk but we are not going to take the way the firemen, MSD or police work and shuffle money over to the school that currently, in his opinion, he is not sure is providing an adequate education and that is part of the problem. This budget came three (3) weeks prior to the manager's budget going in and the school is not in a very good position but we have to get to a point where we are more comfortable and start to look at priorities. We can discuss breaking the tax cap but there will be more people upset about breaking the tax cap than there were in support for the school. Each one of these things comes with a consequence and we have to look at how do we get there but with a dwindling population and revenue on the school is a huge problem and it is a City problem. The challenge is the school's number needs to come under the cap and that would be catastrophic for the school but you have never brought that number in to the Council under the cap and that is where this challenge comes from. School Board Chair Husband stated his problem with this is the imaginary line that says this is the schools number under the cap and this is the City's number under the cap. Where is it defined by legislation the number under the cap. Where are not looking at this as a community, where looking at this a City vs school. What is to say we are spending our money the right way in the first place? We need to go back and relook at this

and see if we can do more. Councilor Clarenbach stated that what you are talking about is the percentage piece and that is only on new money. The tax cap and the way the percentage is really about is what was raised last year which includes the school portion, city portion and the county tax portion and whatever is raised locally for those three (3) entities. The percentage you are taking about is what the manager explained is the only difference. The only difference is what was raised last year and what is raised this year and it is only that new money that is the difference. The percentage of allocation is what is in each budget as it has been and you want more money to go to the school, locally raised money because the State money is dwindling. The City side, unless we start cutting services, is never going to be done in two (2) weeks. Mayor Merrifield spoke that to equalize all the money is a monumental cut to City services and unlikely to happen in two (2) weeks. School Board Chair Husband stated he didn't say he wanted to equalize but he wanted to look at it, which is a different picture. Where ever the 35/65 came from, we need to really look at that. We need to really look at how we provide our City services. He doesn't know all the answers but we really need to work on it. Everyone needs to go back and relook at things. Councilor Giunta asked if we are going back to look at \$250K or \$505K. School Board Chair Husband stated if they could go back and look at \$250K and the School Board needs to go back and vote on the \$260K and also understand once it is taken it's gone. Councilor Giunta wanted to clarify that when they met last Friday, for almost three (3) hours he thought that they wrung all the money out of the budget they could including talking about cutting services like doing away with trash pickup but there was no footing on that. So he wanted to just clarify that School Board Chair Husband was asking that the Council go back to see what they could do again.

The next joint meeting will be July 7, 2016 at 6:00 pm. City Council will meet on June 30, 2016 at 6:15 pm. The School Board will meet on July 5, 2016.

Motion to adjourn made by Councilor Zink, seconded by Councilor Giunta. All in favor; meeting adjourned at 7:13 p.m.

Respectfully Submitted,

Lauraine G. Paquin



Joint City Council & School Board Budget Workshop Meeting Monday, July 7, 2016

Call to Order

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

In Attendance

City:

Councilor Clarenbach, Councilor Starkweather, Councilor Barton, Councilor Giunta, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon, Finance Director Milner and Mayor Merrifield.

School:

School Board Chair Husband, School Board Member Dow, School Board Member Brown, School Board Member Hallett-Cook, School Board Member Carter, School Board Member Grimm, School Board Member Burns, Superintendent LeGallo, Business Administrator Bergquist .

Absent

City:

Councilor Boyd.

School:

School Board Member Tremblay, School Board Member Gargano.

Salute to the Flag was led by Councilor Desrochers.

Mayor Merrifield wanted to report that in addition to having school funding conversations with the City of Dover and the City of Nashua the Chair of the Select Board of the Town of Northfield has now contacted him. They have done extensive research and are just as concerned as Franklin is and they are interested in joining in on any legislation or litigation if need be. The Mayor encourages the school community to reach out to other school districts that are having the same issues with funding as Franklin is having.

Mayor Merrifield stated that the City Council met last week and embraced unanimously to extend the \$426K funding that was identified at the last joint workshop. They would also be willing to entertain discussion about the \$160K in the Special Education Trust Fund and the \$100K in the Capital Reserve. The Council received some results from Superintendent LeGallo based on the School Board's meeting.

School Board Chair Husband stated that they are currently off \$235,380.00. This includes taking the \$160K from the Special Education Trust Fund and the \$100K from Capital Reserve leaving them nothing left in either account.

Mayor Merrifield reminded everyone about the deadline of July 15 for the posting of the public hearing otherwise it will go to the default budget.

School Board Chair Husband stated that he did some studying and our tax rate from 2009 to 2015 the City received a gross number of \$1.17M and the School District received local tax dollars of \$415K. Local State Education money went down \$230K during that time frame and County tax dollars went down \$23,372.00. If we had new tax dollars of \$1,330,733.00 and if we were using the 65% ratio that we were using before, the City would only have received \$864K but they received \$1.17M. It seems that as some of these came off they were only going to the City side. It seems that for the past seven (7) years we have been facing this and I am asking for help. Although we have been highly criticized for what has happened in the past but we can't make up for that we can only move forward. We have a severe problem with our revenues and how we allocate our tax dollars. If you take the -\$230K and the \$415K that is only \$170K we have put towards schools and we have put \$1.17M to the City. Mayor Merrifield asked if that is the total since 2009. School Board Chair Husband stated that is taking the rates and using the percentages and we have increased \$1.33M.

Councilor Wells asked the School Board what they did at their last meeting to close the gap. School Board Chair Husband stated they decided to take the \$160K and \$100K and then there was discussion and clarification from the Mayor about this money and the Council's position. Councilor Wells then proceeded to say that the \$426K closes the gap on the income side and the \$426K makes up the deficit that the State created on the revenue side.

School Board Chair Husband then asked if the Council has to vote on the school taking the \$260K. Mayor Merrifield stated that is correct and it needs a 2/3 vote to pass. School Board Chair Husband stated that was a misunderstanding on their end. Mayor Merrifield stated that when funds are in capital reserve they have to be voted on by the Council to be released. School Board Chair Husband stated he would like that to be done now then as they have no other way to close the gap. School Board Member Brown stated that capital reserve funds normally have a certain purpose and how would the release work and what would the requirements be. City Manager Dragon stated that a public hearing would be posted and then they would change the use of the funds which is called a supplemental appropriation of use for the new funds. School Board Member Brown stated that the Council could not vote on this until the next meeting on July 25. The July 15 deadline would not work because you would not authorize that \$260K until after that. Mayor Merrifield stated that once the public hearing has been noticed and sufficient time has passed and you have the public hearing than the action can take place. On the 25th you would have the public hearing on the entire budget package. School Board Member Brown then asked if it is an additional public hearing for this and then a

regular budget one. City Manager Dragon stated it can be handled both ways as part of the budget process or separately.

Councilor Wells stated the City has managed to close the gap on the school's income side by \$426K, what is the school's plan for next year when the gap is bigger or do you have a plan. School Board Chair Husband stated that he thought they have been discussing that since the beginning but that is going to begin when these meetings are over. The issue hasn't been addressed as they have only used one time funds and not City taxes to address this issue. School Board Member Hallett-Cook mentioned that they will begin looking at the strategic plan and how they will redefine education, how they will streamline some things and redistribute some funds as they can't lose any more teachers. They are going to look at how and what the community believes they need is a strategic plan and what are their strategies.

Councilor Desrochers stated that he read that the State Lottery after expenses is supposed to go for education but only 26% can be traced as going to education so where is the rest of the money going. There are ads for Maggie Hassan that states the State has a \$62M surplus but where is the money if they keep cutting funding to cities and towns.

Mayor Merrifield stated that the Stabilization Aid, of what we get roughly \$4M, is essentially replacing what was called Fiscal Capacity Disparity Aid under the prior funding formula for education in NH was to help communities like Franklin who had more pupils than properties available to tax. Communities that had a low property value per pupil you were given a large amount of aid by the State. The formula now is strictly per pupil and there is no differentiation on your ability to raise taxes for education and that was the basis for the Claremont lawsuit and it put that burden on the Legislature.

Councilor Zink asked what number are we at and is it the \$15,034,388 or is it \$15,304,388. School Board Chair Husband stated it depends on what happens with the \$260K. Mayor Merrifield then stated he felt Councilor Zink is asking what number is the School Board at above that as there is still a gap. School Board Chair Husband stated if we get the \$260K then we are \$235,388 difference still. Councilor Zink then asked what the total budget amount be then. School Board Member Hallett-Cook stated the total budget number would be with the \$260K the \$15,304,388 and you would need to subtract the \$260K from that if not. Councilor Zink then asked if the \$235,388 above and beyond that and School Board Member Hallett-Cook stated yes. Councilor Zink then asked what is the number in the manager's budget. School Board Member Brown stated she believes it is \$14,618,374. Finance Director Milner stated it is \$14,377,673.

Councilor Giunta stated that there are two (2) options we can go with the default budget or go with the budget as it stands. He made a motion.

Motion: *Councilor Giunta moved that the Franklin City Council set a Public Hearing on Monday, July 25, 2016, at 6:05 pm on Resolution #01-17 relating to appropriating the FY17 City budget. Motion seconded by Councilor Dzujna.*

Councilor Giunta asked the Mayor to read the Resolution including the \$260K. The Mayor read the Resolution.

RESOLUTION #01-17

A resolution relating to Appropriations and Estimated Revenues for Fiscal Year 2017.

In the Year of our Lord, Two Thousand and Sixteen.

Be it Resolved by the City Council of the City of Franklin that the following appropriations and revenues be made for Fiscal Year 2016-2017:

MUNICIPAL DEPARTMENTS

APPROPRIATIONS:

General Operations (MS-232):	
General Government	\$1,540,844
Public Safety	5,141,181
Highways & Streets	1,364,530
Sanitation	782,889
Health	190,617
Welfare	134,643
Culture & Recreation	703,458
Debt Service	172,338
Capital Outlay	1,162,000
Interfund Operating Transfers Out	698,274
<i>Total General Operations Appropriations</i>	<u>\$11,890,774</u>
Other Funds:	
Parks & Recreation Appropriations	\$15,500
Outside Police Detail Appropriations	9,960
Water Appropriations	1,653,379
Sewer Appropriations	1,515,344
Fuel Depot Appropriations	0
Capital Projects Appropriations	0
Pass Through Grant Appropriations	534,334
<i>Total City Appropriations</i>	<u><u>\$15,619,291</u></u>

ESTIMATED REVENUES:

General Operations (MS-434):

City Revenues General Fund	\$5,104,079
Interfund Operating Transfers In	10,700
Local Taxation	6,775,995
<i>Total General Operations Estimated Revenues</i>	\$11,890,774

Other Funds:

Parks & Recreation Estimated Revenues	\$15,500
Outside Police Detail Estimated Revenues	9,960
Water Estimated Revenues	1,653,379
Sewer Estimated Revenues	1,515,344
Fuel Depot Estimated Revenues	0
Capital Projects Estimated Revenues	0
Pass Through Grant Estimated Revenues	534,334
<i>Total City Estimated Revenues</i>	\$15,619,291

SCHOOL DEPARTMENT

APPROPRIATIONS:

General Operations	\$14,656,292
Food Service	648,096
<i>Total School Department Appropriations</i>	\$15,304,388

ESTIMATED REVENUES:

General Operations	\$8,983,671
Transfer from City	\$413,499
Use of Fund Balance	\$250,000
Transfer from Capital Reserve	\$260,000
Food Service	648,096
Local & State Taxation	4,749,122
<i>Total School Estimated Revenues</i>	\$15,304,388

MERRIMACK COUNTY

Estimated Tax to be Raised \$1,562,503

INDUSTRIAL PARK TAX INCREMENT FINANCING DISTRICT

Estimated Tax to be Raised \$14,582

All in favor; motion passes.

Councilor Desrochers addressed School Board Member Brown’s concerns about using the \$160K so he asked the School Board how they feel about spending the money. School Board Chair Husband stated they addressed that the other night and felt that if they don’t fill the teacher positions they will have even more problems in the schools which is even a bigger

stress on special education. If we don't have the staff to address the situations then it is a bigger problem.

Councilor Starkweather asked if they will have any grants expiring this year. Business Administrator Bergquist stating they have the School Improvement Grant that expired last year but they awarded us some carryover that was used this year. Councilor Starkweather asked what is that used for. Business Administrator Bergquist stated it is used for improving the teaching of the school so most of it was used for training for teachers.

School Board Chair Husband stated that going through the Withdrawal process and part of that is developing the offer since we are the larger entity and we would like to keep the SAU our attorney suggested \$2,000 cash rather than dividing up the assets. The assets are computers and filing cabinets and it is hard to come up with value with depreciation. School Board Chair Husband was asking the Council for a consensus that makes sense. Councilor Wells asked is it the board that is investigating this. School Board Chair Husband stated no the attorneys just gave this today so the board is hearing this for the first time. Councilor Dzujna asked is this keeping the SAU #18 on our side. School Board Chair Husband stated yes. Councilor Dzujna stated that being on the Withdrawal Committee he thinks this is a great idea.

Councilor Giunta stated that based on the momentum that we should hold a monthly finance and strategy committee. School Board Member Hallett-Cook asked if we could set a time for us to start talking about next year's budget as soon as possible. Mayor Merrifield stated we all recognize the need and we need to do so.

Motion to adjourn made by Councilor Starkweather, seconded by Councilor Giunta. All in favor; meeting adjourned at 6:45 p.m.

Respectfully Submitted,

Lauraine G. Paquin