

CITY COUNCIL MEETING
AGENDA ITEM I



PENDING COUNCIL APPROVAL

**City Council Special Meeting
October 24, 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

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

Absent

Councilor Boyd

Salute to the Flag was led by Councilor Barton.

Public Hearings – *Mayor read the following (there was also informational documents available to the public):*

Community Development Block Grant funds are available to municipalities through the NH Community Development Finance Authority. Up to \$500,000 annually is available on a competitive basis for economic development, up to \$500,000 for public facility and housing projects and up to \$350,000 for emergency activities that directly benefit low and moderate income persons. Up to \$12,000 is available for feasibility study grants.

This is a proposed application to the Community Development Finance Authority for a proposed application to the Community Development Finance Authority for up \$12,000 in Planning Study funds to do preliminary design and cost estimates for a potential Whitewater Park and Play on the Winnepesaukee River in Franklin. If constructed a Whitewater Park and Play would create jobs, the majority of which would be available to low and moderate income persons,

This project conforms with Franklin's Housing and Community Development Plan's Goal of: Participate in economic development opportunities (Short and Long Term Goal)

Funding request: up to \$12,000

The Mayor then asked for public comment on this.

Leigh Webb stated that he has spoken with Marty as the property encompasses some of the most important historical property and will continue to be in talks with Marty and hopes he will exercise an educational opportunity and signage with an explanation of what was there at one point in time and the significance and development to Franklin as a community. At some point there will be some sensitivity towards the sites that were once mills as the parks develops, maybe even call it The Mills

Whitewater Park & Play, and hopes they are sensitive to the archeological sites of what was once the mills. He does support what this development could become but hopes it can be developed sensitively.

Bob Lucas spoke and thanked the citizens of Franklin for coming out tonight and he also thanked the Mayor, City Council and the City Manager. He stated he understood that tonight they were considering a grant for the study of Whitewater Park & play. He understands the use to be paddling amenities, mill trail, community garden, mountain bike pump track and historic ecovillage campsites. Some of the social media comments are that the city is requesting money and to his understanding that is not the case. The site for this is city owned property behind the car wash and down to the river and is undeveloped and unused and requires considerable clean up. Mr. Lucas stated he fully supports moving forward and looking at the big picture the downtown redevelopment is underway due to the hard work of PermacityLife, Franklin Savings Bank, City of Franklin, Colby Sawyer College and countless volunteers/businesses. The proposed park design is around \$45K and then additional funds will be needed at no cost to the City. When completed the new venue will generate about \$6.8M in new revenue for the City of Franklin.

Scott Brown recommended the City Council support this grant and approve this park. He feels this is another way that the City, local businesses and the citizens can work together to improve Franklin for a lifetime. He stated that the NH Dept. of Resources and Economic Development published an impact analysis showing a \$6.8M spending benefit here in Franklin and that should be reason alone to approve this project. If the City Council doesn't receive the \$12K grant then they should find alternative funding to make this happen.

Jo Brown spoke supporting this initiative for many of the reasons others have said but the City Council not only shows that it is thinking outside the box but that it shows it truly sees the vision for a true Franklin for a Lifetime. It retains opportunities for young families and offers opportunities for others to move in. By working with PermacityLife, it shows others that we have a vision and the willingness to help it grow as a City and the true commitment to make this City Franklin for a Lifetime and it can be done.

Sara Stanley stated that she had three (3) items to read. The first item is a letter from Ken Norton, Friends of the Winnepesaukee River. He wants to provide full support and endorsement of this park. During the past 25 years a great deal of effort has gone into preserving the Winnepesaukee River and promoting recreational use of the river and adjacent land. The goal has always been to improve the quality of life for local residents it has also been done with an eye toward economic development and making Franklin a destination point for outdoor recreation. The Winnepesaukee River Trail is an all-volunteer organization with some funding from Franklin, Tilton and Northfield and received 13 easements from private citizens to allow the trail to be constructed on their land. Tressel View park was made possible by a land donation of the Grevior family and a Land and Community Heritage Grant. In 2007 the City passed a resolution calling the NH Dept. of Environmental Services to develop a watershed management plan including scheduled summer whitewater releases.

The second item addressed was in support of the City's resolution #02-08 passed 08/06/07 that is a Resolution relating to the Franklin City Council's support of Whitewater Recreational Activities on the Winnepesaukee River.

The last item Ms. Stanley read was something that she wrote on Facebook that she addressed to Marty Parchand which was in support of the Whitewater park.

Karen Darling spoke in support of the park and about what attracted her and her husband to Franklin. She also has one of the properties that have one of the easements on the trail. She has noticed such an increase of the trail use in the past year.

Sonny from Concord spoke about the Whitewater Slalom events that have been held in Webster for the last 33 years and to speak to the fore fathers about that event. He stated that he supported this initiative because of what it has done for Webster.

Mayor read an email submission from Jesse Nicola who used to live in Franklin and Dad owed the Radio Shack and Mom worked at Franklin Middle School. She stated that there is a small out of the way town in MA, Charlemont, who just did this for their town and fully supports this for Franklin.

Mayor closed the public comment.

Mayor read the following:

Residential Antidisplacement and Relocation Assistance Plan

Although this project does not involve any displacement or relocation of persons or Businesses, if the City were to undertake a CDBG project which involved displacement or relocation they would follow this plan. The plan outlines the measures they would take to find comparable, suitable housing for persons (or businesses) displaced or relocated.

The Mayor then asked for public comment on this.

There was no public comment.

Mayor closed the public comment.

Mayor moved Agenda Item II to go before Agenda Item I.

Agenda Item II.

City Council votes to adopt the Antidisplacement and Relocation Assistance Plan.

Mayor stated he needs a motion from the Council to adopt the Antidisplacement and Relocation Assistance Plan.

Motion: *Councilor Giunta motioned and it was seconded by Councilor Desrochers.*

Councilor Dzujna asked if most of that property is City property. City Manager Dragon stated yes.

All in favor; motion passes.

Council votes to approve the submittal of the application and vote to authorize the City Manager to sign and submit the application, and upon approval of the CDBG application, authorize the City Manager to execute any documents which may be necessary to effectuate the CDBG contract and any amendments thereto.

Motion: *Councilor Desrochers motioned and it was seconded by Councilor Giunta.*

All in favor; motion passes.

Agenda Item I.

City Council to vote on whether or not to accept the provisions of RSA 194-C providing for the organization of a School Administrative Unit involving districts of Franklin and Hill, in accordance with the provisions of the proposed plan.

Motion: *Councilor Desrochers moved that the Franklin City Council vote on whether or not to accept the provisions of RSA 194-C providing for the organization of a School Administrative Unit involving districts of Franklin and Hill, in accordance with the provisions of the proposed plan. Motion seconded by Councilor Dzujna.*

Councilor Barton asked how does withdrawing save money for the City. City Manager Dragon stated that on page 5 of the plan itself it breaks down the numbers. There will be one staff position eliminated which more than offsets the loss of revenue and will result in \$21,802 in savings. Mayor Merrifield asked if it includes other ancillary costs and City Manager Dragon stated yes. Councilor Starkweather asked what plan and City Manager Dragon stated it was in the September 12 Council packet. Councilor Zink stated that in the plan on page 5 it states that the SAU budget totals \$730K but then in other discussions we have the Superintendent's stated budget of over \$1M so then she went to the SAU's website and pulled their budget of \$890K so there seems to be multiple numbers of the SAU budget. City Manager Dragon stated during the withdrawal process these numbers were provided from Business Administrator Bergquist but at the time she believes there were some estimated numbers provided. Mayor stated there are a number of ways to look at his budget. Business Administrator Bergquist stated that you have to take the grants out of the SAU budget of \$890K.

Councilor Giunta asked City Manager Dragon to go through the items in a report that she gave the council. City Manager Dragon stated they just spoke about #1 Costs/Savings so item #2 is Audits.

Since Franklin School District is a dependent school district their financial statements are part of the City's overall financial statements and Franklin is 90% of the SAU. The audits have been delayed and due to those delays the City and SAU has had to carry an encumbrance of \$250K. As the audits are released then the encumbrance can be released. Councilor Giunta asked if an encumbrance can be accessed. City Manager Dragon stated that the money is set aside for a certain purpose and when it is released it goes back into the general fund. The school can't carry a fund balance the fund balance is on the City books. This past year some of that encumbrance money was released and the Council voted that it go towards helping the school with its budget.

City Manager Dragon spoke about item #3 Franklin Focus which is about the educational benefit to the students. This stems from the withdrawal meeting and it is due to Superintendent LeGallo and Business Administrator Bergquist who are out of the office dealing with Hill items and going to Newfound School District for Hill students. Their time and energy can be spent in Franklin dealing with Franklin issues especially with declining enrollment and the challenges Franklin has been facing. There is also the \$21,802 in savings that would benefit Franklin students.

City Manager Dragon talked about item #4 Financial Consolidation which was not part of the withdrawal plan. If withdrawal occurs only the vote of the Franklin School Board is necessary and then it can go on the table for consideration during the ongoing joint meetings.

City Manager Dragon talked about item #5 Public Opinion and comments at the public hearing stating about offending Hill and being a grudge against Hill. Hill has a ten year agreement with Newfound and all remaining Hill students will graduate soon. There has not been much of a presence from Hill indicating a desire to remain connected with Franklin's SAU. During the withdrawal process Hill never sent a letter asking that the process not go forward nor was there a presence from Hill during the process.

City Manager Dragon talked about item #6 Flexibility as a single district that allows considering looking at all options for Franklin.

Councilor Barton asked that not voting for the withdrawal is there any benefit to the City or school board. City Manager Dragon stated that by not voting for the withdrawal the revenue that is currently received, \$63K would continue and the SAU would maintain all the secretarial and staff support.

Councilor Clarenbach stated that this is an unfortunate situation due to Hill deciding to bring their high school students to Newfound. He states that what is missed is that the Hill School Board felt that their student's education wasn't adequate enough. A committee was formed and their recommendation was 4-3 to withdraw. The bigger question is where are we going as a committee and how do we value the schools in our community. The minutes were indecisive back and forth. He stated he will vote no to the withdrawal as he doesn't believe it is in Franklin's best interest. For regionalization he doesn't feel Franklin will be a good partner if they are a standalone and what they

have done as a process their actions will speak louder for anyone wanting to join with Franklin in the future.

Councilor Wells stated he was concerned that the process to eliminate Hill is easy to do but difficult to undue if a year down the road things are different.

Councilor Desrochers stated that the Hill School Board stated that no matter what Franklin does they are not going to go along with it. Hill voted to leave and now it is our turn to take care of Franklin. In the next year and a half there will be no more Hill students in Franklin schools. We have a choice to make and we need to choose for Franklin. We have a budget crisis going on and we don't need outside influence that doesn't have a stake in Franklin.

Councilor Dzujna stated he was on the committee and appointed as a person of the public. The most he heard was that the City Council and the school board never work together. He thought that if Franklin had their own district it would be easier for the City Council and school board to work together. Having another entity in their always throwing a monkey wrench really hurts Franklin. He voted then and will today for the withdrawal.

Councilor Starkweather stated that a lot of this comes down to cost savings with Hill students diminishing and their contribution also diminishing. Will Superintendent LeGallo still have to go to Newfound for the special education students? The minutes for the committee read like a neighborhood dispute and he didn't feel there was enough information as the minutes were willfully lacking detail for a legal document with no decision recorded and there is just not enough information to make a decision.

Councilor Giunta wasn't originally on the committee but then was appointed to the committee when Councilor Feener came off the Council. He went into the meetings trying to understand the financial piece and was looking for the consolidation but there was no consolidation which was frustrating. There is a \$21K savings and for the deficit that we are facing next year any amount we can find is a savings and needed. He then stated that a school board member stated that Hill wants nothing to do with Franklin.

Councilor Zink stated she still doesn't understand the numbers. City Manager Dragon stated that Hill was paying \$93K but not any longer. On page 6 the estimated for 2016-17 was \$63K and their contribution was already dropping. Councilor Zink asked where did we get to the \$21,802 as she stated she finds a \$25K difference between page 4 and 5. Finance Director Milner explained how to get to that figure. City Manager Dragon stated they are trying to answer questions of numbers that were prepared by the school and some of them are estimated numbers for the 2017 budget and some of the numbers are contracted numbers as there is an attorney for the school district and another attorney for the SAU and you wouldn't need two different attorneys if they were one district.

Councilor Barton asked can we change salaries of people in the SAU and is that how they came up with the cuts. City Manager Dragon stated if they are no longer traveling to Hill for meetings or

reconciling their budgets or doing their audits there is no need for a Hill secretary. Councilor Barton then asked that they are not going to take someone's current salary and cut it. City Manager Dragon stated that the plan would take place next school year and change the staffing level at the SAU office and page 5 have the current staffing levels at the SAU office.

Councilor Clarenbach stated that there are a lot of school board members who are not in favor of this. There are nine Franklin School Board members who are charged with running the district. What he is hearing is that if it was a sole school district there can be a lot more direction from the Council. There may not be a consolidation so it is not helping anything if the school board is not on board. The Council cannot control anything at the school other than the dollar. He agrees with Councilor Giunta that both sides are going to have to dig hard when it comes to the budget and it will be a challenging situation. Councilor Giunta stated he doesn't want the lines to be blurred. During the Joint Finance meetings he doesn't feel that at all. Years ago when he was Mayor they used to fight over \$75K and now they are talking about \$1.3M and he feels it would be easier if they were all under one roof.

Councilor Desrochers stated he doesn't want to tell the school what to do but we have to consolidate our finances down the road. It's time for Franklin to move forward. Maybe we could regionalize with Winnisquam.

Councilor Starkweather stated that if this passes they will still have the same SAU number, the same staff minus the one (1) secretary what else is being saved. Councilor Barton asked if the Council votes not to withdraw does that mean Jeannie Blake remains part of the SAU. City Manager stated yes. He then asked if they vote to withdraw then Jeannie Blake is not part of the SAU. Councilor Barton stated that they are not voting on consolidation tonight. City Manager Dragon stated no. He then asked how long is the contract with Newfound. City Manager Dragon stated it is a ten (10) year plan and they are in year two (2). He then asked that they cannot back out of that and City Manager Dragon stated no. He then asked if they vote yes the \$21K is part of the \$60K. City Manager Dragon explained that if the plan followed yes and the school board does not have to follow the plan as they decide how their funds are spent.

Councilor Wells asked how much influence does the Hill School Board members have on the Franklin School Board members as Franklin has nine (9). City Manager Dragon stated they have three (3). He then stated they will certainly not swamp the vote. City Manager Dragon stated it will depend on who shows up to the meeting. He then stated you have to look at the long term.

Councilor Starkweather asked that on the Franklin withdrawal timeline on the charter if petitioned by 100 voters and City Charter permits question can be placed on the ballot for the next election. He stated that if this doesn't work out this can be brought up for more discussion. City Manager Dragon spoke with City Attorney Fitzgerald and he stated the City has no such clause in the City charter for this withdrawal plan. That clause was put in by the school's attorney that he probably brought forward from the RSA. City Manager Dragon stated that City Attorney Fitzgerald said that this is not available per the current City charter. Mayor Merrifield clarified that in a town you have a different situation whereas in Franklin the Council represents the voters.

Councilor Zink asked why is there a \$25K difference between the \$755,733 and then on page 5 \$703,417 when we are talking about saving \$21K and if we don't do this we are talking about \$64K. Mayor Merrifield explained that you have to think about this in the net as you are losing expenses at the same time you are losing the revenue. City Manager Dragon stated that at the same time you have less expenses so you offsetting the reduction which exceeds the amount Hill is contributing.

Councilor Giunta stated that if we withdraw we have the potential to consolidate and he highly recommends to the school board that we start talking about that as every dime is going to make a difference. If we don't withdraw the members of Hill have already stated they don't want to talk about it. The only option to find extra dollars for the school next year is to withdraw.

Councilor Barton asked for clarification is that the school board is going to to cut contracts. City Manager Dragon stated that the only contracts in the withdrawal are the ones that wouldn't be necessary. The only salary in the withdrawal is the one position. It has nothing to do with any of the other salaries in the SAU office.

Mayor Merrifield called for a short recess at 7:21 pm.

Mayor Merrifield called the meeting to order at 7:31 pm.

Motion: *Councilor Giunta motioned to end the debate and to take the vote and it was seconded by Councilor Desrochers.*

All in favor, one opposed; motion passes.

Mayor Merrifield asked all those voting in favor of withdrawal to raise their hands – 4 raised.

Mayor Merrifield asked those opposed to raise their hands – 4 raised.

Mayor Merrifield took a minute to explain his decision on his vote. It has been a difficult budget decision and the Mayor has lost sleep over the issues with the school district and what is facing the kids. He has surrendered his salary, and if anyone has done more personally to heal the divide he thanks and congratulates them. The Council came up with truly everything to heal the budget gap. He has no other solutions for next year and they are facing at least \$1.3M shortfall. Mayor Merrifield stated he feels that consolidation is not an option it is a requirement for next year and he is voting in favor of withdrawal because we have to do absolutely everything we can.

Other Business:

City Manager Dragon stated that in the Charter section 51 there is a notice to be sent out to all those elected within ten (10) days whereas they have ten (10) days to come in to be sworn in to office. Normally the swearing in takes place at the January inauguration that has been a ceremonial thing for many years. To be in line with the Charter we did send out the letters but not everyone came in so

there is a proposed motion to request the date to be extended until the inauguration of January 3, 2017.

Motion: *Councilor Zink moved that the Franklin City Council extend the file date with the City Clerk for the oath of office from the notice of election letter of October 24, 2016 to the January 3, 2017 inaugural ceremony. Motion seconded by Councilor Desrochers.*

Councilor Dzujna stated we will have to do this every year. Councilor Zink stated unless you change the City Charter. Mayor Merrifield and City Manager Dragon stated this is easier.

All in favor; motion passes.

Mayor Merrifield spoke about filling the school board vacancy and they did receive one request.

Motion: *Councilor Zink moved that the Franklin City Council appoint Jeffery Savary to the vacant School Board Ward I seat (SBW13). Motion seconded by Councilor Starkweather.*

Councilor Desrochers asked Mr. Savary, "What would you do differently than what the current school board is doing now?" Mr. Savary replied that he would have to look at what the school board has been doing over the past few years. The budget process is one area that needs improvement. He would be really involved in the budget process and work with the City Council to work with the State to get adequate funding back.

All in favor, motion passes.

Mayor Merrifield stated there has been a request of a release regarding Selectman at elections. City Solicitor Paul Fitzgerald issued an opinion and there has been a request from a moderator to release the opinion that Councilors have to only attend the general election.

Motion: *Councilor Desrochers moved that the Franklin City Council send a copy of the decision regarding elections to Tamara Feener but the Moderators of all three (3) Wards as they need to have this at all voting locations. Motion seconded by Councilor Barton.*

Councilor Starkweather stated he attended the meeting that the Secretary of State held at the Bessie Rowell Community Center and they said yes Selectman, in this case Councilors, have to be present at all elections it is in the State Constitution. Councilor Clarenbach stated he is for this but the current way they are required to be there they can find a substitute by current State Law and if they can't then the Moderator is required to find a substitute. He felt they need to work on levels of communication for all councilors' availability prior to Election Day. Councilor Starkweather stated that their Moderator calls them to see if they will be there. Councilor Dzujna agrees with Councilor Clarenbach but is there criteria for a substitute. They believe the only criteria is to live in the Ward.

Mayor Merrifield stated you should not take this lightly about releasing decisions. Councilor Wells asked that maybe the Councilors capacity be explained to the Moderator by the Councilors and not the City Solicitor. City Manager Dragon explained that has been done and that is why there was a request for a legal opinion.

All in favor, motion passes.

Mayor Merrifield reminded the Council about the evaluation forms and he would like to cover this at the November Council meeting.

Councilor Wells wanted to thank the Mayor and the other people involved for fundraising for the music department it was very generous.

Motion to adjourn made by Councilor Giunta and seconded by Councilor Desrochers. All in favor; meeting adjourned at 7:49 p.m.

Respectfully Submitted,

Lauraine G. Paquin



PENDING COUNCIL APPROVAL

City Council Special Meeting November 9, 2016

Call to Order

Mayor Merrifield called the meeting to order in the Council Chambers, Franklin City Hall at 6:01 p.m.

In Attendance

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

Absent

Councilor Boyd.

Salute to the Flag was led by special guest Elizabeth.

Mayor explained the reasoning for tonight's meeting due to legal timelines and in order to incorporate new funding that has become available the City must hold a public hearing.

Public Hearings

Resolution #06-17 – Appropriating \$216,311 in new revenue associated with \$8,642,049 new assessed value resulting from pick ups from new construction and utilities.

Annette Andreozzi stated she has no objection to include this and why it had taken so long as tax assessments were done April 1, which was three (3) months prior to the budget being set. It should have been the first thing the assessor's had done being such a large project. She realizes assessing does take time but it should not have taken six (6) months and this should be taken into account since we have contracted assessors. City Manager Dragon stated that during the budget process they got an estimate from the assessors of new value and it is normally not a lot of money. The estimate is normally given in April and pick ups are not done at this time because your values are as of April 1. In May the assessors were asked about the Webster Station and the response was they thought that part would be this year and the rest would be pick up in the following year. As a result of that the City Manager used the number the assessor provided. The MS1, form submitted to Dept. of Revenue with the actual assessed values, is due in Sept 1 but Franklin got an extension due to the work at the Webster Station and to make sure they got the value in there. Once that information is ready you go online to the portal to get the information to set the tax rate, the school's information is not on there yet. Finance Director Milner went in to see as she does a calculation of the tax rate and saw that it was going to drop so she knew something was wrong with the estimate. When she went back and looked what was picked up for the Webster Station the entire amount was picked up in this year

rather than over the two years like what the assessors told us. If this special public hearing wasn't held to adopt the new budget numbers the tax rate would drop and that would not make any adjustments to either the City or school budgets because how the tax cap formula is calculated it is with the beginning number so if it is not in there then it won't be changed for the years moving forward. It is very important to incorporate this before the tax rate is set to incorporate this money. The assessors always give us an estimated number but it is normally a big number to make a difference.

Susan Hallett-Cook talked about how this money could help with the loss of adequacy money. Last week several board members took a walk through the school buildings and were concerned about the middle school roof. It has been leaking for at least five (5) years and it has a structural issue in the back corner of the library with cracking and pulling away from the building. This is concerning because if the students don't have a school to attend no amount of funding Franklin schools will help. She is asking for some funding to go towards fixing this school.

Jennifer Weaver stated in a negotiation meeting the art teacher stated she needs paint and is having trouble teaching without it. That is what Franklin is facing teaching our children without the necessary tools. She begs the Council to look at the funds and how the Council can help the schools more. We need to help the kids they are our future.

Deb Brown spoke about a quote the Building and Grounds Director received in 2014 to repair the roof for \$290K on the classroom/preschool/kitchen area. There was another option for Gym/Cafeteria/Music area for \$95K estimate. This past spring the same contractor was contacted for an estimate and he gave a 10% increase in price to \$423K plus 10%. As part of the finance meetings we will look at capital projects to work with the joint City Council to come up with a plan. We need to consider the repairs as it is essential to keep the schools up to code.

Leigh Webb stated that whenever extra money comes into the City it is the purview of the Council how it is spent. There are lots of needs and was wondering if the decision needed to be made tonight. City Manager Dragon addressed that it will need to be appropriated tonight as there can be adjustments made after tonight but it has to be done before the tax rate setting. The increased values are not a one-time thing and will be available year after year and put into the pool to be pulled from. Mayor Merrifield stated that is correct this will be our new base. He then asked what is the impact of this on the tax rate. City Manager Dragon stated that if this is appropriated tonight we expect the tax rate to go to \$25.23. If it is not appropriated the tax rate goes to \$24.83.

Agenda Item I.

City Council to consider approving Resolution #06-17 that appropriates \$216,311 in new revenue associated with \$8,642,049 new assessed value resulting from pick ups from new construction and utilities.

Mayor read the resolution:

RESOLUTION #06-17

A Resolution Relating to a Supplemental Appropriation for Fiscal Year 2017.

In the year of our Lord, Two Thousand Sixteen,

WHEREAS, the City Council of the City of Franklin has adopted a budget for Fiscal Year 2017 which began July 1, 2016, and;

WHEREAS, the City Council of the City of Franklin, New Hampshire understands that the dollar amount of new assessment pick ups is very conservatively estimated during the budget process when calculating the new amount of tax revenue to be split between the City, School District, Statewide Education and County, and;

WHEREAS, the City Council of the City of Franklin, New Hampshire recognizes the actual assessed pick ups are \$8,642,049 higher than originally estimated mostly due to increases in utility values that were not known at the time of the original budget passage, and;

WHEREAS, The City Council of Franklin, New Hampshire recognizes there are several critical capital projects in need of completion, and;

WHEREAS, the City Council of the City of Franklin, New Hampshire wishes to appropriate the revenue from the additional pick ups and transfer those revenues to the buildings capital reserve account for future appropriation, Now,

THEREFORE BE IT RESOLVED that at the scheduled meeting of the City Council on Wednesday, November 9, 2016 the City Council of the City of Franklin, New Hampshire does hereby adopt Resolution #06-17 **authorizing an increase in FY2017 revenues:**

Property Tax Revenue Acct. No. 01-0-000-31100-000 – Two Hundred Sixteen Thousand Three Hundred Eleven Dollars (\$216,311),

And an increase in FY2017 expenditure account,

Transfer to Capital Reserve Fund - Buildings Acct No. 01-9-053-40976-000 – Two Hundred Sixteen Thousand Three Hundred Eleven Dollars (\$216,311),

By a roll call vote.

Motion: *Councilor Clarenbach moved that the Franklin City Council adopt Resolution #06-17 appropriating \$216,311 in new revenue associated with \$8,642,049 of new assessed value resulting from pick ups from new construction and utilities. Motion seconded by Councilor Dzujna.*

Councilor Zink asked for clarification on the two accounts for the schools. Finance Director Milner stated the first account is the local school tax account and that is the amount that based on the split of the budget would go into that account. The second account is the transfer to the school account which is excess money from city funding to the school district.

Councilor Desrochers stated that the middle school roof has been leaking for five (5) years and it can't wait another five (5) years. He would like to take \$200K of that money and put it into a fund solely for repairing the roof of the middle school as it can't be put off any longer. It is not the full amount but it is a start.

Councilor Starkweather agrees with Councilor Desrochers but he then stated that for years the school board has stated the Council gives the money and the school board decides where the money goes. He is unsure if the Council can do that. Councilor Desrochers responded that this has been done in the past of putting \$100K in a particular account just as recent as three (3) years ago. The previous school board knew the roof was leaking and took that money and put lockers in the high school, and made the boys' locker room more pleasing. He does feel the Council can put money aside for nothing but the roof.

Councilor Dzujna also agrees but there are so many things need to be done and if you designate to just the roof other things can't be done for the wall repair or is there any way to do it for general repairs. Councilor Desrochers stated he won't vote for it because the money will disappear.

Mayor Merrifield stated that he believes money can be put in an existing capital reserve account and it remains a vote of the City Council to release those funds which is a thought. City Manager Dragon stated it is an encumbrance and it can be put in a capital reserve account and when the need arises they can come to the Council to release the funds. Councilor Clarenbach stated he had a concern with the current resolution with the solar lease and the school is consistently losing their revenues. He feels that this is an opportunity to look at all items and put this money into an account as both budgets are set and not commit it to today to something that may or may not need it is not appropriate. City Manager Dragon wanted to clarify that the \$73K solar revenue project is revenue that is not going to come in this budget or if it is going to move forward ever.

Councilor Giunta stated he agrees with Councilor Clarenbach but wants to also remind the Council that it is fine to set aside the funds but in the end there is a chance that is could possibly be used for something else. Councilor Desrochers stated that this roof has been put off for 4-5 years and if it is not fixed soon there will be mold issues and then you have a \$425K roof and \$150K for mold abatement. As a governing body we have to stand up and show what we are going to use the money for what it is for and need to get it done.

City Manager Dragon stated if it is the will of the City Council to put it in a reserve account we do have an existing capital reserve account for buildings. For when the money needed to be expended for the roof it would be brought back to the Council to be voted on.

Council Barton stated that next year we are still going to be getting the money. Mayor Merrifield stated yes because we will still be taxing this property and there will be additional funds in next year's budget as a result of taking this action.

Council Giunta just wanted to remind the Council that money can be put aside for everything we want but at the end of the day we are \$1.3M short and many people will come forward looking to use that money elsewhere so that is the pressure the Council will be under.

Councilor Wells wanted to clarify for his understanding that there will be a short fall of \$73K on the income side and that is already budgeted and we have income of \$216,311. City Manager Dragon explained that it is in the budget as revenue. Councilor Wells then asked how many departments are going to be short. City Manager Dragon explained it will have to be monitored for the rest of the year on how the revenues are coming in and the expenditures are going out. If the money goes into capital reserve the money is preserved.

Mayor Merrifield explained that the proposal in front of you puts it into the schools general fund. Councilor Clarenbach explained that there are two (2) shortfalls, one on the city side of \$73K and one (1) on the school side of \$115K. This would cover both of them with the municipal administration giving the remainder to the school. Councilor Clarenbach is stating that all of it should go into the buildings fund and then come out for what is needed. He then stated he would make an amendment to his original motion.

Amendment: Councilor Clarenbach moved that the full amount of \$216,311 be put into capital reserve account for buildings - acct #01-9-053-40976-000 buildings. Motion seconded by Councilor Desrochers.

Mayor Merrifield asked that all discussions be confined to the amendment.

Councilor Giunta asked Councilor Desrochers to clarify his comment about the school board being ok with not getting the \$115K as at the Joint Finance meetings he was told it was essential they get that money back. Councilor Desrochers stated they are not necessarily ok with losing the \$115K but when he was talking with a school board member that person stated they will work and find a way to survive without the \$115K as they were talking about putting this money into the roof. That person said the roof is far more important as there is so much neglect in the buildings. Councilor Giunta asked the school board if this can go into this fund. Mayor Merrifield interjected that these funds can be moved at any time. Councilor Giunta stated that he is doing this so at the Joint Finance meeting there has to be a comradery. School Board Member Susan Hallett-Cook spoke that there is not enough of the board here to make that decision but if there is no building how can you teach, it has to be a priority. Councilor Clarenbach stated that the city tightens the belt all year long and at the end of the year they try to fulfill the projects that were in the budget. The school is probably more labor intensive and a lot less capital projects. The \$115K maybe something they request later in the year but that should be through the joint finance. We need to start knocking off some of these capital projects as they can't just sit and have nothing done on them.

Councilor Starkweather stated he agrees with Councilor Clarenbach as on the city side we have put off projects and then they were three (3) times the cost rather than fixing them when addressed. It has been a long time since the Council has heard about anything capital the school needs. He feels the City Council and School Board should take a tour of all city and school buildings.

Councilor Barton asked if the amendment could be reread. City Manager Dragon reread the amendment. City Manager Dragon stated that any release has to come back to the Council.

All in favor of the amendment; motion passes.

Mayor Merrifield then called for discussion on the amended resolution.

No discussion.

Roll Call vote on amended resolution:

Councilor Clarenbach	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Barton	<u>Yes</u>
Councilor Starkweather	<u>Yes</u>	Councilor Wells	<u>Yes</u>	Councilor Boyd	<u>abs</u>
Councilor Desrochers	<u>Yes</u>	Councilor Giunta	<u>Yes</u>	Councilor Zink	<u>Yes</u>

All in favor; motion passes.

Mayor Merrifield mentioned the education funding forum Monday night at 6:00 pm in Council Chambers and members of other communities have been invited. It is about what is happening with adequacy aid in the State of NH. It was sent to 40 communities that are losing \$1M and an email went to Superintendents of those same communities. Mayor Merrifield and the Northfield Chairman of the Select board will MC the event beginning with a power point and then open it up to conversation and will begin an email list for further communication.

Councilor Dzujna asked if any of our legislators be there. City Manager Dragon stated that she has been working with Senator Hosmer but she is going to invite Mr. French as she doesn't know where the election stands at this point. Senator Hosmer asked for City Manager Dragon to draft legislation and he would bring it forward. Mayor Merrifield envisions this meeting is for other communities to begin talking with each other and then begin to put pressure on the House and Senate.

Mayor Merrifield stated two days ago there was a motion to reconsider SAU withdrawal and school board members brought to the Council a concern about a Supreme Court Case and there is a letter from the City Attorney Fitzgerald provided to each Councilor. Mayor Merrifield characterized the letter stating that case is a different situation then what Franklin is in and does not apply to our consideration of SAU withdrawal and he also consulted with the school's Attorney Matt Upton. Councilor Barton made the motion to reconsider so before that is taken off the table is there any more information the Council needs.

Motion: *Councilor Barton moved to take the motion off the table. Motion seconded by Councilor Desrochers.*

All in favor of lifting SAU Withdrawal from the table - 6; those opposed – 2; motion passes.

Councilor Barton stated that it was mentioned to him during the recess of the previous meeting that the SAU budget is developed separately from the Franklin School budget. The school board recognizes from the SAU budget what is needed. It would look at everything needed for the SAU and would leave money in the SAU because it wanted too.

A member of the public asked why the public can't speak and Mayor Merrifield clarified that is was because there was already a public hearing on this issue and it was brought for reconsideration.

City Manager Dragon stated that the original motion was **"I move that the Franklin City Council accept the provisions of RSA 194-C providing for the organization of a School Administrative Unit involving school districts of Franklin and Hill, in accordance with the provision of the proposed withdrawal plan.**

Mayor Merrifield stated this is the motion before you and he asks for discussion. He stated a yes vote is a vote to withdraw.

Councilor Desrochers asked if there can be a roll call vote on this for public record. Mayor Merrifield stated yes.

Councilor Zink stated she looked up Robert's Rules of Order, as she understands we govern this, and it states motions to reconsider need a day and we interpreting this as next meeting but the rules state differently. Mayor Merrifield stated he consulted the City Attorney and legislative bodies in the US are generally not restricted in their ability to reconsider questions.

Mayor Merrifield again asked for further discussion.

Councilor Giunta stated that as Chair of the Finance Committee and the discussion held this evening and how we need these funds. This is an opportunity to clear the way for both sides to consolidate and find at least \$27K or more and provide a clear a pathway to get money to the students for paint and keep teachers next year.

Councilor Dzujna stated he feels this is a way for the school and City Council to work together and think outside the box and do some innovative thinking and do things together.

Councilor Clarenbach stated he is not sure how if the school board in large numbers is against this how we are working together. He doesn't understand this.

Councilor Giunta stated as a member of the withdrawal committee that he saw power point after power point of savings if there was consolidation. Hill School Board has stated not to bring this up and will not discuss consolidation. He doesn't understand why school board members are against this measure.

Councilor Dzujna stated that it is one pot of money and we have to look at it logically. We are not telling them how to spend it. It is where we are going to get it from in order to spend it.

Councilor Barton stated one of the things he heard that Hill would be upset; they could ask to come back if they really wanted too. Mayor Merrifield stated the area agreement is the ten (10) year agreement they have with Hill. Councilor Barton asked again if they wanted to they could come back. Mayor Merrifield stated yes after their term ends.

Councilor Zink spoke against the motion to withdraw as many people spoke against this motion. The only savings she saw was Franklin will lose the \$63K from Hill. There was a formula for savings but that was eliminating a certain position. What she doesn't understand is if 5% of the Superintendent's time is spent going to Hill, how is eliminating a position and consulting doesn't see how the savings will pan out. She stated she doesn't trust the numbers because it is only 5% of that person's time. If we are concerned about money we need to look at those numbers.

Motion: *Councilor Desrochers moved to end the debate. Motion seconded by Councilor Starkweather.*

Councilor Dzujna opposed, All others in favor; motion passes.

Mayor Merrifield stated they will have the vote and Councilor Desrochers has called for a roll call vote.

Roll Call vote:

Councilor Clarenbach	<u>No</u>	Councilor Dzujna	<u>Yes</u>	Councilor Barton	<u>Yes</u>
Councilor Starkweather	<u>Yes</u>	Councilor Wells	<u>No</u>	Councilor Boyd	<u>abs</u>
Councilor Desrochers	<u>Yes</u>	Councilor Giunta	<u>Yes</u>	Councilor Zink	<u>No</u>

Mayor Merrifield counted it as a 5 in favor and 3 opposed which is 62% is the decision of the Council.

Mayor Merrifield wanted to mention a proposal for a workshop for the TIF district plan with a proposed date of November 28 and if that was good for the Council.

Motion: *Councilor Dzujna moved to accept November 28 at 6:30 pm as a Council workshop on TIF District. Motion seconded by Councilor Desrochers.*

Councilor Clarenbach stated he would be delayed. Councilor Zink asked if it could be moved to 6:30 pm.

All in favor; motion passes.

Motion: Councilor Zink moved the Franklin City Council conduct a public hearing on December 5, 2016 at 6:03 pm on the Franklin Falls Mixed Use TIF Plan. Motion seconded by Councilor Desrochers.

All in favor; motion passes.

City Manager Dragon stated they have a packet for the Welfare position hire. The position is being hired as an hourly employee and it is not a department head because it doesn't supervise staff and doesn't have the required time as some of the department head positions.

Councilor Dzujna asked when do you have to fill it. City Manager Dragon stated she is planning to begin next week unless the Council has concerns.

Motion to adjourn made by Councilor Clarenbach and seconded by Councilor Desrochers.

Counselor Desrochers opposed, All others in favor; meeting adjourned at 7:18 p.m.

Respectfully Submitted,

Lauraine G. Paquin



PENDING COUNCIL APPROVAL

City Council Meeting November 7, 2016

Call to Order

Mayor Merrifield called the meeting to order in the Council Chambers, Franklin City Hall at 6:01 p.m.

In Attendance

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

Absent

Councilor Boyd.

Salute to the Flag was led by Councilor Clarenbach.

Councilor Desrochers made mention to remember Veteran's Day and tomorrow after voting if you wanted you could go down to the Veteran's Cemetery between 12:30-1:00 pm to help put out flags on graves.

Mayor Merrifield mentioned that the VFW will be having a service at 7:00 pm on Veteran's Day and will march to the garden glen.

Public Hearings

Resolution #04-17 - A Resolution accepting and appropriating the 2017 Law Enforcement Opioid Abuse Reduction Initiative grant of \$28,800, approving the Memorandum of Agreement with Tilton Police Department and appropriating Franklin's portion of the grant in the amount of \$14,400.

Scott Burns spoke about the border communities needing this money and he supports this.

Resolution #05-17 – A Resolution increasing revenue and expenditure accounts based on the awarding of a grant from the New Hampshire Department of Safety, Office of Highway Safety for Franklin Police Department in the amount of \$8,910.

No comment.

Comments from the Public

Persons wishing to address the Council may speak for a maximum of three minutes. No more than thirty minutes will be devoted to public commentary.

MSD Director Sullivan wanted to recognize Jeff Perkins for doing an outstanding job cleaning up the City and has gone above and beyond. He has probably picked up 4500 bags of trash. He stated that Brian Barry was promoted to Deputy Director of MSD. He has been with the building and grounds dept. for 21 years. He is a native of Franklin.

MSD Director Sullivan gave an update that Terrace Rd got behind as they have faced numerous challenges and they are doing it right and not just rushing it. They are looking to finish grading Wednesday and pave it on Thursday depending on the weather. City Manager Dragon asked if this will be the top coat. MSD Director Sullivan stated no this will be the winter binder of 2 ½" like they did on Prospect St. Mayor Merrifield asked that the South Main Street is a 2 year project. MSD Director Sullivan stated Edmunds Construction is close to the job being done with the exception of the riser for fire hydrants. Continental Paving will be putting on a top coat next spring. The total cost for that job minus the water main was \$4,262,000 for less than 1 mile of road.

Legislative Comments – State Rep. Horn spoke that at the County Delegation Meeting they said Felonies First is an initiative being activated in NH and are rolling it out town by town and Franklin's turn will be in January. If you have any questions speak to County Attorney Scott Murray as he has the best information of this program. There will be a tax increase coming from the County to the City of Franklin next year. They are trying to fast track felonies through Superior Court in Concord and no longer prosecute felonies at the District Court level. This means all Superior Court resources will be taxed, sheriff's resources will be taxed transporting people, and attorneys' offices will be taxed prosecuting these cases. They are trying to run the indictments in a 60-120 minute window after lunch. There has been no tax increase from the County in the last two (2) years.

Mayor Merrifield asked State Rep. Horn that this is a cost shift from the State as District Court is a State Court and if County is picking up the costs that is local taxpayers instead of State taxpayers. State Rep. Horn stated he recommends reaching out to County Attorney Scott Murray as he has the best information.

State Rep. Horn mentioned one last thing he urges that whomever you decide to elect that you reach out to them and demand more from them and he hopes he has served everyone well.

City Council Acknowledgements – Councilor Dzujna wanted to recognize Karen Darling who received Franklin Business and Professional Woman of Achievement of the Year. Councilor Dzujna also wanted to recognize Councilor Clarenbach who got the Millham Leadership Award from the Central NH VNA.

Mayor's Update – Mayor Merrifield stated that in passing the City budget they need estimates of pickups. They estimate the value of new construction and under the tax cap are allowed to capture the new funds and place in the City budget. There is no tax increase for existing taxpayers. Since the budget was passed the City has learned there are significant dollars of values and will be able to appropriate those funds. City Manager Dragon stated there is a special hearing Weds. Nov 9. The City was given a number by the assessors. The Webster Station, by Eversource, improvements was

believed to only have a portion of the new value this year and the remainder next year. When the number came in all of the new value was put in for this year and that was a much larger number than the estimate provided by the assessors. It is \$216,311 of new revenue and it is necessary to appropriate these funds. You can just lower the tax rate but then next year you will never capture those funds. All of this will be discussed on Wednesday at the meeting.

Mayor Merrifield mentioned the last time the Council met on school withdrawal the Mayor accepted responsibility for not realizing that the Council needed 60% in order to pass the measure and it failed even with his tie breaking vote. He wanted to publicly state that he like everyone in the room thought majority rules and to publicly state his dismay for not realizing that.

Councilor Giunta spoke that it was a long discussion and thought the Council was worn out on the conversations that were had and everybody had gotten everything they had needed so he called for the question and Councilor Barton had more questions but Councilor Giunta had prematurely said it and it was seconded and then the Council voted. He apologized to Councilor Barton for prematurely closing discussions. Councilor Barton asked if he can ask questions again and reopen it. Mayor Merrifield stated we are in the meeting immediately following the decision and someone who voted on the winning side could make a motion to reconsider then we can reopen the discussion. Councilor Barton stated he would like to ask his questions so he will make a motion.

Motion: *Councilor Barton motioned to reconsider. Motion seconded by Councilor Giunta.*

Councilor Barton stated has prevote questions that he didn't see in any information he received. Mr. Horn asked if Councilor Barton was in favor or against withdrawal. Mayor Merrifield stated that Councilor Barton was against withdrawal. Mr. Horn stated then he can't make a motion as he wasn't on the winning side. Mayor Merrifield stated he was on the prevailing side as he was on the side that won. Mr. Horn stated that the vote was 5-4. Mayor Merrifield stated the prevailing side means the winning side. Mayor Merrifield pointed out that Mr. Horn is not on the Council and it says in the City Charter that the Mayor shall preside and that is his ruling, the prevailing side is the winning side so Councilor Barton can make a motion to reconsider and seconded by anyone. Mayor Merrifield asked for discussion amongst Councilors about reconsideration.

All in favor of reconsideration - 6; those opposed - 2; motion passes.

Councilor Barton asked if you withdraw or don't withdraw what effect educationally does it have on the students. Mayor Merrifield asked if he wanted to hear from school board members. School Board Member Burns stated that you would lose \$63K which is the portion that Hill pays for the SAU. Susan Hallett-Cook states that you have to have an SAU in the State of New Hampshire. Even though the SAU is in Franklin Hill pays rent to Franklin and pays their portion of the costs for the SAU for Health, Workman's Comp, etc. Councilor Barton asked about the agreement with the Hill and the middle school. School Board Member Hallett-Cook stated she was glad that he brought that up as there has been a recent court decision that if we withdraw Hill does not have to pay us back. Mayor Merrifield interjected to say that cannot be true because an SAU is not an area agreement. The bond

payment is associated with the area agreement. School Board Member Hallett-Cook stated the area agreement changed when they withdrew their kids and they put in that agreement their responsibility to that bond. She then pointed out Dunbarton also had an area agreement and because the withdrawal with the SAU occurred the Supreme Court upheld that Dunbarton would no longer be held liable for that. She stated that is a concern that Hill may not pay on that bond and this is concerning and more research needs to be done. Councilor Barton asked how much and what is left on the bond. School Board Member Hallett-Cook said it is \$30K for another four (4) years. Councilor Barton asked why Hill didn't withdraw. School Board Member Hallett-Cook stated she believes they are happy with the services they receive from the Superintendent and what the SAU is providing to them. She stated they did move their students and have eight (8) years left on their contact with Newfound but she spoke to two (2) of the school board members and yes if they see an improvement in Franklin schools they are not opposed to coming back but there is one member who is opposed. Councilor Barton asked what are the odds of Hill not paying. Mayor Merrifield stated he is unsure of the case. Councilor Barton asked how soon can we get an answer. Mayor Merrifield stated they can address it with the City Attorney Fitzgerald.

Councilor Desrochers asked if the amount Hill pays for the superintendent is based on the amount of students they are sending to Franklin. School Board Member Hallett-Cook stated it is based on a couple of things but it is not based on the students. Hill pays based on a percentage of assessed value and tuition of students that are still going to Franklin. Councilor Desrochers asked what will happen in a few years when there are no more Hill students in Franklin as that \$63K will go down. Mayor Merrifield stated that we are still confusing an area agreement and an SAU. The cost of the SAU is born by the districts that are in it and it is based on assessed value and ADM (average daily membership) in those communities regardless of where they go to school. It is based on the number of pupils that live in Hill and Franklin and there is a formula that calculates that out.

Councilor Barton asked that when the kids are no longer in Franklin schools we won't be seeing that money. School Board Member Hallett-Cook stated that Franklin will no longer be getting tuition but you will still have the formula based on the kids that live in Hill and Franklin and what is paid to the SAU. City Manager Dragon stated that Hill would still have to pay because the Superintendent would still have to go to Newfound and handle any problems that arise there even though they don't go to Franklin they are still part of the calculation. The number we received from Hill has changed and declined over the years partly due to decrease in enrollment and assessed value decline.

Councilor Clarenbach stated this formula is similar to the water cost, less use fixed cost and you have to share it at a higher rate. If Hill leaves Franklin it is going to borne the costs, less the administrative position. As the student population dwindles there is still a shared cost in that number. When you look at the number Franklin is either going to borne the cost themselves. The problem is we have fewer students so all of the costs are going to be greater. He feels they are making a mistake if they ask Hill to leave.

Councilor Starkweather asked how many school board members does Hill have. School Board Member Hallett-Cook stated that Franklin has a school board of 9 and Hill has a school board of 3.

She then explained they also meet as an SAU with the 9 plus the 3. Councilor Starkweather stated that in a few years there are no longer Hill students in Franklin Schools. School Board Member Hallett-Cook stated if we withdraw. If we don't withdraw Hill still has the oversight of the elementary school as the SAU still serves them. Councilor Starkweather asked if Hill will still have members on the board. Mayor Merrifield interjected stating that if the SAU stays intact as it is Hill will have representation on the SAU board even though no students from Hill will be attending Franklin schools. They vote on SAU issues not Franklin issues. Councilor Starkweather asked that Hill Board Members will not have any say on the City of Franklin issues. School Board Member Hallett-Cook stated that they would have input on the curriculum as that needs majority vote but you have to remember Franklin has majority. Councilor Starkweather was still trying to figure out what is the benefit to Hill once their students leave. School Board Member Hallett-Cook stated her personal thought is that they would have to advertise and hire their own superintendent and staff which is going to cost them a lot more upfront then just staying with Franklin. She believes in the long run it was cheaper to stay with Franklin. Councilor Desrochers stated he understands that Hill had already sent out an RFP a while ago. School Board Member Hallett-Cook stated yes they did and Franklin did respond to it.

Councilor Barton asked again that we don't know the answer to the bond question. School Board Member Tim Dow read an excerpt of the May 2015 court decision. He reiterated that since the area agreement is all done Hill could not pay the remaining payments. Mayor Merrifield stated we would be better advised to get an actual decision. Councilor Giunta stated we are trying hard to fund our schools. We are trying to get our own financial house in order and look at every option on the table to return taxpayers money to our students. He stated he doesn't understand the overriding factor to keep Hill in the picture and if it is not for the benefit of Franklin students he is not for it. He asked the Mayor If we could make a call to Attorney Fitzgerald to get an answer or table this until we have an answer. Mayor Merrifield stated to recess and try to reach Attorney Fitzgerald and asked the Councilors if they were in agreement.

Meeting recessed at 6:56 pm

Meeting called to order at 7:11 pm.

Councilor Dzujna asked if there is a time constraint for this vote. City Manager Dragon stated that this is the first meeting after the vote so this is your only option for reconsideration.

Mayor Merrifield stated that at Councilor Clarenbach's suggestion this item will be tabled until City Attorney Fitzgerald calls back.

Motion: *Councilor Clarenbach motioned to table reconsideration. Motion seconded by Councilor Starkweather.*

All in favor, motion passes.

Agenda Item I.

City Council to consider the minutes of the October 3, 2016 City Council Meeting and October 11, 2016 Canvas of the Vote Council Meeting.

Motion: Councilor Dzujna moved that the Franklin City Council consider the minutes of the October 3, 2016 City Council Meeting and October 11, 2016 Canvas of the Vote Council Meeting. Motion seconded by Councilor Desrochers.

All in favor; motion passes.

Agenda Item II.

School Board Report – School Board Member Burns stated the Franklin School Districts audits are all ready and Hill's will be ready soon. The SAU 2013/14 is finished and 2015/16 is ready to be started. The collection actions are for Business Administrator Bergquist to report monthly to the board and audits. There are no fines or penalties. The SAU had their first meeting with budget at .08%. They hired an IT director so there was an increase of \$4K. There was a 2% raise for all administration but that is to be negotiated and that went into non-public so that is all he can say. School Board strategic planning they are still going through Steve Norton and getting bench marks so they can understand where to prioritize. Councilor Dzujna asked about the 2% raise and School Board Member Burns stated that is for SAU only and that is proposed. Councilor Giunta asked about the \$100K they were holding due to a delay in audits, is there any hope that funds can be released for next school year. School Board Member Dow spoke that in order to get everything caught up to date they are going to have to spend the \$100K on the auditors that they kept aside. City Manager Dragon questioned that it is going to cost \$100K in addition to the funds that have been in the budget each year to reconcile the books for the SAU for the last 4-5 years for SAU, Hill and Franklin.

Tabled Item

Mayor Merrifield spoke to Attorney Fitzgerald and he feels that the risk is too high for him to advise the Council on this case this evening. Attorney Fitzgerald stated it is perfectly acceptable for the Council to leave the question on the table until he can read through the entire decision and check against State Statutes. That is his recommendation to leave the item on the table for future discussion until he can better advise the Council if that is acceptable to the Council. Mayor Merrifield asked if there was any objection to that and there was none.

Agenda Item III.

City Council to consider the approval of Resolution #04-17, increasing revenue and expenditure accounts based on the awarding of a grant from the New Hampshire Department of Safety, Office of Highway Safety for the Franklin Police Department in the amount of \$28,800.

Motion: *Councilor Desrochers moved that the Franklin City Council adopt Resolution #04-17 accepting the Law Enforcement Opioid Abuse Reduction Initiative grant in the amount of \$28,800, approving the Memorandum of Agreement with Tilton Police Department and appropriating Franklin's portion of the grant in the amount of \$14,400. Motion seconded by Councilor Starkweather.*

Roll Call:

Councilor Clarenbach	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Barton	<u>Yes</u>
Councilor Starkweather	<u>Yes</u>	Councilor Wells	<u>Yes</u>	Councilor Boyd	<u>abs</u>
Councilor Desrochers	<u>Yes</u>	Councilor Giunta	<u>Yes</u>	Councilor Zink	<u>Yes</u>

All in favor; motion passes.

School Board Member Dow stated he had just talked with Business Administrator Bergquist and they will need \$75K from the fund balance. City Manager Dragon stated they will need some documentation and clarification.

Agenda Item IV.

City Council to consider the approval of Resolution #05-17, increasing revenue and expenditure accounts based on the awarding of a grant from the New Hampshire Department of Safety, Office of Highway Safety for the Franklin Police Department in the amount of \$8,910.

Motion: *Councilor Clarenbach moved that the Franklin City Council adopt Resolution #05-17 accepting a grant from the New Hampshire Department of Safety, Office of Highway Safety for the Franklin Police Department for \$8,910. Motion seconded by Councilor Dzujna.*

Roll Call:

Councilor Clarenbach	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Barton	<u>Yes</u>
Councilor Starkweather	<u>Yes</u>	Councilor Wells	<u>Yes</u>	Councilor Boyd	<u>abs</u>
Councilor Desrochers	<u>Yes</u>	Councilor Giunta	<u>Yes</u>	Councilor Zink	<u>Yes</u>

All in favor; motion passes.

Agenda Item V.

Dave Liberatore to address the Council regarding Webster Place Cemetery.

Mr. Liberatore is here representing the Webster Place Cemetery which is a private cemetery in the old Sisters of the Holy Cross property in West Franklin. He stated he met with City Manager Dragon about leaf removal as that is their only issue as all the previous options had been taken away from them and Mr. Liberatore is the youngest person at the Cemetery. They do have an investment plan that ensures they can keep the cemetery private. They need help over the next few years until they can get together that plan. He stated that per a letter from Frank Stevens, licensed surveyor, there is a section of River Road that is a public way and there is no indication that the City has ever abandoned that. He realizes the constraints the City has with its budget but just asking for some help for a few years beginning with next year. He did take a tour with Councilor Dzujna, as this is in his ward, to show him what he was talking about.

Councilor Giunta asked Dave to explain his statement about the right to blow the leaves into Fife Farms that was taken away from him. When Dan was trying to get that land he was their best friend. The next year he obtained that land and whatever side the wind was blowing that was the side they blow the leaves on. The year after that they were told they could blow it into the road and he would bale it. The year after that he was told they weren't doing anything with leaves and they would have to do something else with their leaves. The following year they tried burning them and it took 3 days and they had to stay there for 3 whole days. The year after that they tried grinding them up and putting them in the far corner and that loaded up real fast. They have run out of options for the leaves. He understands it is their problem but he was bringing it the Council's attention to see if there was anything they can do. He stated MSD Director Sullivan and City Manager Dragon have been very helpful. He had some questions that the City Attorney was able to answer.

Mayor Merrifield suggested that Mr. Liberatore make a more formal proposal and to make it an agenda item for a formal response. Councilor Giunta stated that people have to remember that is not Dan Fife's land as it was purchased with all LCHIP money. It is conservation land and he has a lease to farm that land and we all subsidize that farming. He puts nutrients into the land with his cows and doesn't understand why he doesn't do that with the leaves.

Councilor Starkweather wanted to remind the Council about Mr. Fife's renewal of his lease on River St. Councilor Dzujna stated Mr. Liberatore did call him and they met and walked and talked the property and spoke about City problems and has called Mr. Fife several times but he has not returned his calls. Councilor Desrochers asked Councilor Dzujna if he talked to Brent Fife, George's son, and if he gets ahold of him Councilor Desrochers will go with him.

Agenda Item VI.

City Council to consider the appointment of Brian Barry to the Lakes Region Planning Commission Transportation Advisory Committee (TAC).

Motion: Councilor Starkweather moved that the Franklin City Council appoint Brian Barry to the Lakes Region Planning Commission Transportation Advisory Committee (TAC). Motion seconded by Councilor Desrochers.

All in favor; motion passes.

Agenda Item VII.

City Council to consider setting a public hearing on the Tax Increment Financing (TIF) Plan.

Motion: Councilor Desrochers moved that the Franklin City Council conduct a public hearing on December 5, 2016 at 6:05 pm on the revised Franklin Falls Mixed Use TIF Plan. Motion seconded by Councilor Giunta.

Councilor Clarenbach stated he had a concern is the need for some type of workshop for the need to understand what is going on especially with the Catch program. City Manager Dragon stated that the Catch project is under a different statute so their taxes are calculated differently. We have such a tight budget process as the Joint Finance Committee knows and we are going to take funds and put them into the downtown section and we are going to do that at the expense of the school and the city as that money won't come into the general fund. Any tax money that is deferred is going to be a concern. City Manager Dragon stated that the TIF already puts that value in the TIF fund. Councilor Clarenbach stated we are in the negative though. City Manager Dragon stated we are amending the TIF plan so we can use it for the purposes intended. Councilor Clarenbach stated if we didn't use the TIF plan that money would still meet the obligation of what has been lost in the general fund. Mayor Merrifield explained that Tax Increment Financing (TIF) takes increases in assessed value and diverts them from the general fund to specified purposes within the Tax Increment Financing District. The plan is to define all of that.

P & Z Director Lewis stated that one distinction between 2008 plan and the 2016 plan is that any future project where money would go would be brought back to the Council as an amendment to this plan whereas in 2008 there was a listing of projects to where money would go. Councilor Clarenbach is not opposed to this it is just timing. Until additional revenue can be secured this can be viewed as lost revenue as once it goes into the TIF it normally can't come out and be put back into the general fund. If projects don't move along as planned can the money be extracted from the TIF and be put back into the general fund due to our budget issues. P & Z Director Lewis stated on page 9 paragraph 3 it can be reevaluated. Councilor Clarenbach stated based on that passage then we could return it to the general fund if a project is not ready. P & Z Director Lewis stated that himself, J. Aberg, City

Manager Dragon, N. Cannon know the downtown area is a fluid process and meet monthly and are reactionary to things that come up.

Councilor Zink asked that if there is business development in the TIF zone, does it take all of the increase or does it take just the city's portion. Mayor Merrifield stated that since this has a paragraph that allows all of the funds to go back to the general fund it is all of the increase. Councilor Zink then stated they would have to then split it the school's share and Mayor Merrifield agreed.

Councilor Desrochers stated he agreed with Councilor Clarenbach and he is very concerned as the school has lost \$115K and will be losing another 4% next year and unsure if this can be done at this time. The State will never let us keep Northern Pass money. Mayor Merrifield interjected to say under current State Law you can't lose funding based on revenues coming in it is based on enrollment. Councilor Zink stated she thinks it might be good to workshop this or send it to the Finance Committee to see what the fiscal impacts of this plan might be. She also mentioned that on page 4 it sites some other documents that would be good to review before the hearing.

Mayor Merrifield stated there have been a few suggestions to workshop this. He asked City Manager Dragon would there be anything impacted if they didn't hold a public hearing on Dec 5. City Manager Dragon stated no but you would have to keep in mind when the Catch Housing project completes and comes online and how would that would impact any changes to the TIF plan. City Manager Dragon stated her preference would be to workshop this with the full City Council and not just the Finance Committee because it is a complex subject.

Councilor Clarenbach asked if Merrimack County won't receive any funds from these funds and that is why they are impacted by this plan. P & Z Director Lewis stated yes. Councilor Giunta stated if they hold a public hearing which normally brings in more questions and then hold the workshop so then all questions can be answered. Mayor Merrifield stated that holding a public hearing doesn't mean you need to adopt. Councilor Clarenbach stated to have the workshop and public hearing on the same night. City Manager Dragon stated that sometimes things come out of the workshop that needs a legal review. P & Z Director Lewis stated that the County Commissioners and the impacted school boards are sent a copy of the TIF documents.

Amendment: Councilor Clarenbach moved to amend the original motion so they can have a workshop and delay the date of December 5. Motion seconded by Councilor Desrochers.

Councilor Wells stated he would like to set a date to the workshop as with the holidays coming and then after that it will run into budget time.

All in favor; motion passes.

Mayor Merrifield stated there are no motions on the floor so does the Council want to take up the date of the workshop. City Manager Dragon stated they could do that on Wednesday. Mayor

Merrifield stated that since the Council is meeting on Wednesday if they could check their calendars and they could set the date on Wednesday.

Agenda Item VIII.

City Council to consider disposal of tax deeded property at 12 Morrill Court.

Motion: Councilor Desrochers moved that the Franklin City Council authorize the City Manager to dispose of 12 Morrill Court through a bid process and to further execute all closing documents required for the conclusion of the referenced sale. Motion seconded by Councilor Starkweather.

All in favor; motion passes.

Agenda Item IX.

City Council to consider disposal of tax deeded property at 12 Vine Street (mobile home on land of another).

Motion: Councilor Desrochers moved that the Franklin City Council authorize the City Manager to dispose of Tax Map 096-412-12, 12 Vine Street (mobile home) only through a negotiated direct sale to Mobile Home Park owner DRM Corporation. Motion seconded by Councilor Dzujna.

Councilor Clarenbach asked if there is any liability to the City to let a property go for less money than its value to a direct owner. He wants to make sure the City isn't held accountable in that 1-3 year period for the difference. City Manager Dragon stated mobile homes are tricky as the City can be paying park rent at \$300 a month and that is why we negotiated with the park owner. Councilor Clarenbach states he understands that he just wants to make sure that the City can't be held liable for a mobile home that is worth \$12K that is sold for only taxes time and time again and the former owner then comes back to the City within the 1-3 period because property is constantly being sold for far less than its value. City Manager Dragon stated that the City follows the RSA for disposable sale and the former owner is notified via the proper methods. City Manager Dragon stated she feels comfortable with this as she has followed the process.

All in favor; motion passes.

Agenda Item X.

Other Business

- 1. Committee Reports – None**

- 2. City Manager's Update** – City Manager Dragon advised that the City received the following contingent grant line amount: \$50 for Elks for book club, \$1,000 from Grappone for BRCC playground, \$500 from Thrift Clothes Closet for Book Club, \$500 from Wild NH Lions fundraiser for Max and \$751 from Freudenberg NOK fundraiser for Mayor's Drug Task Force.

City Manager Dragon wanted to congratulate Councilor Clarenbach as he is one of this year's Good Scout Award recipients from the Daniel Webster Council, Boy Scouts of America and will be recognized on November 17 at Steele Hill Resort.

City Manager Dragon mentioned the City has changed ambulance billing providers from Comstar to Enhanced Management services.

City Manager Dragon stated that Code Enforcement has been working to update outdated procedures and guidelines. A copy of updated inspection policies for multifamily residential dwellings was provided.

City Manager Dragon stated she was approached by Healthfirst for letter of support to Rural Development for help for the building they are in they are purchasing with help from a USDA Rural Development Grant and she didn't feel comfortable signing the letter without mentioning it to the Council first. Councilor Wells stated the he believes it is a loan and not a grant as the building belongs to LRGH. Mayor Merrifield stated with no objection from the Council, Councilor Clarenbach abstained.

City Manager Dragon stated there is a governance group that is working with the Winnepesaukee River Basin and they have met a few times to propose legislation to access funds that were raised to look at where WRB should be a utility with a different government structure. They have drafted to Commissioner Burrack (but he is retiring soon) asking for a clarification what is believed to be true that the assets owned by WRBP are owned by the communities that pay the bills and not the State of NH. It is very important to get clarification on that in writing.

All in favor, motion passes.

- 3. Late Items** – Mayor Merrifield asked P & Z Director Lewis if there was urgency for the Zoning Board. P & Z Director Lewis stated the Zoning Board is undermanned at the present time and any opportunity to get new membership on the board is greatly appreciated.

Motion: ***Councilor Desrochers moved that the Franklin City Council appoint Glen Feener to the Zoning Board (ZBA3), Term of Service to January 2020. Motion seconded by Councilor Dzujna.***

Councilor Clarenbach opposed, All others in favor, motion passes.

Motion: *Councilor Clarenbach moved that the Franklin City Council enter into a non-public session under RSA 91-A3,II(a) The dismissal, promotion or compensation of any public employee. Motion seconded by Councilor Desrochers.*

Roll Call vote to enter nonpublic session:

Councilor Clarenbach	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Barton	<u>Yes</u>
Councilor Starkweather	<u>Yes</u>	Councilor Wells	<u>Yes</u>	Councilor Boyd	<u>abs</u>
Councilor Desrochers	<u>Yes</u>	Councilor Giunta	<u>Yes</u>	Councilor Zink	<u>Yes</u>

All in favor; motion passes.

Entered nonpublic session at 8:10 p.m.

Public session reconvened at 8:50 p.m.

Motion: *Councilor Clarenbach motioned to increase the City Manager's compensation by 2.5% retroactive to her anniversary date. Motion seconded by Councilor Starkweather.*

All in favor; motion passes.

Councilor Clarenbach asked that since Councilor Boyd has given up his seat does the Council want to appoint the Councilor Elect to the seat early. Mayor Merrifield stated he has not received a resignation from Councilor Boyd. Councilor Clarenbach stated that he has missed more meetings than what is required to remove him. There is a new Councilor that has been elected by the people who can sit for the next two months is that in our best interest.

Councilor Starkweather spoke that at a right to know meeting that any texting done by a Councilor during a meeting that it has to become part of the minutes.

Motion: *Councilor Giunta motioned to seal the minutes indefinitely as it may make the Councilors actions in effectual. Motion seconded by Councilor Desrochers.*

Mayor Merrifield explained you need 2/3 in the affirmative to seal the minutes.

Roll Call vote:

Councilor Clarenbach	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Barton	<u>Yes</u>
Councilor Starkweather	<u>Yes</u>	Councilor Wells	<u>Yes</u>	Councilor Boyd	<u>abs</u>

Councilor Desrochers Yes Councilor Giunta Yes Councilor Zink Yes

All in favor; motion passes.

Motion to adjourn made by Councilor Clarenbach and seconded by Councilor Giunta.

All in favor; meeting adjourned at 8:57 p.m.

Respectfully Submitted,

Lauraine G. Paquin