

CITY COUNCIL MEETING

AGENDA ITEM I



**CITY OF FRANKLIN
COUNCIL AGENDA REPORT**
City Council Meeting of July, 2016

Subject: Approval of Minutes

Motion: "I move that the Franklin City Council approve the minutes of the May 23, June 13 & June 14, 2016 City Council Budget Workshop Meeting, June 20, 2016 Joint City Council School Board Budget Workshop Meeting and June 6, 2016 City Council Meeting."

Mayor calls for a second, discussion and the vote.



City Council Budget Workshop Meeting Monday, May 23, 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 Starkweather, Councilor Barton, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon and Mayor Merrifield.

Absent

Councilor Boyd, Councilor Giunta.

Salute to the Flag was led by Councilor Desrochers.

Mayor Merrifield mentioned that the Memorial Day Parade will be held on Monday at 2:00 pm.

I. PARKS AND REC DEPARTMENT – 17% INCREASE

Director Alpers stated Professional Development increased 57% as a online training database was added so she may access for training in many different areas related to Parks and Recreation, Camp Counselors and many other areas. Another area that has increased is Staff Development and that is for the life guard and water safety course classes that they have to take. This cost is split with the employee as it is a \$400 class so it is a lot to ask them to bear the entire expense. It is also an incentive as it is hard to find life guards and water safety instructors.

Director Alpers stated she has a new line item which is pre-employment screening and that is for drug testing as that is currently not done but will now be done on all hired staff. Another increased line item is the travel and that is to bring it up to what is actually spent as that line item is always over each year. Director Alpers stated equipment maintenance also has an increase as a new module is being added for childcare now that we have the after school program and this will help a lot with registering the students. Another increase is other contracted services and this is for the water sample fee. DES has increased their fee to \$90 per beach; it was \$60 per beach. It was \$20 per test and it is now \$30 per test and I do 3 samples per beach. This testing is performed weekly beginning next week through Labor Day. Office Supplies has gone up a little and that is due to the Drug Task Force does a lot of copying and that is part of our in-kind. Bus rentals have increased as their hourly rate and mileage rate have gone up.

Director Alpers stated misc. summer programs have increased as the field trips have changed but that money is recouped through the user fee. Another increase is in the operating supplies of the before and after school programs and this is due to an increase in enrollment and this is to cover the cost of snacks that is reimbursed through the CFAP program.

Councilor Barton asked about music license and Director Alpers stated we have to pay them to play music if we play music at a dance or music in the park. Councilor Barton asked if there is an increase in revenue for the summer program. Director Alpers stated that there was a significant increase last year and we hire 3 buses so the more we fill those buses the better off we are. Councilor Barton asked what is the difference with the added revenue this year. Director Alpers stated she didn't look at this year but to compare last year FY14 revenue was \$123,762 and expenses \$143,699 and this doesn't include Director Alper's salary or the event supervisor's salaries and \$30K was brought in from grant money. FY15 revenue was \$178,608 and expenses \$145,847 and \$40K was brought in from grant money. FY16 so far we are at \$160K for revenue and \$151K for expenses. Again this does not include Director Alpers or her 3 event supervisor's salaries.

Councilor Starkweather asked if the water samples are taken to Concord. Director Alpers stated yes. Councilor Starkweather then asked if she shares this with the water department. Director Alpers stated no as the MSD uses Eastern Analytical and they don't do the testing that DES does for that bacteria that they test for from the beaches.

Mayor Merrifield asked Director Alpers that the bottom line for the Parks and Recreation budget is about \$400K. Director Alpers stated that for this year yes as last year it was \$341K. Mayor Merrifield then asked how much of that is offset by revenue. Director Milner replied by stating that if you go to page 19 of the budget and lines 2, 3, 4 and 5 which total \$161K. Council Clarenbach then asked how much was it last year? Director Milner stated it was \$136K.

Mayor Merrifield asked about the music license and how they know what songs are played. Director Alpers stated as long as they go through her or the Opera House. Councilor Clarenbach stated it is a blanket license and this is how artists get paid.

II. PLANNING & ZONING DEPARTMENT – 5% DECREASE

Director Lewis stated that linking revenues and statistics is that revenues are hard to predict because it is so dependent on the number of applications to planning and zoning and building permits that come in. We are seeing a small uptick in the housing market and in the building permits for rehabs, small additions, mechanical upgrades and this year 7-10 solar projects for residential. There has been an increase in people switching from oil to propane/natural gas. Councilor Clarenbach asked that zoning board applications seems to be up. Director Lewis stated that this year they have dealt a lot in variances for chickens, ducks, qeese, etc. There hasn't been a lot of commercial activity this year. The contract has been signed with the new engineering firm for the Haynes Brook project.

Director Lewis stated there are not many changes on the expenditures for other contractual services pays for the updates to the tax maps. There was a presentation by CAI and they are putting together a GIS system online and putting together some public components and that may put some offices together. There is a cost savings on the Health line as the previous assistant was using the health benefit and the new assistant is not using the health benefit so there is a 75% savings.

Councilor Zink asked which revenue lines are yours. Director Lewis stated page 17 building permits, page 18 the two federal grants for Haynes Brook and USDA Rural Tech, Planning Board Fees, Zoning Board Fees, page 19 misc. fees – planning.

III. WELFARE DEPARTMENT – 2% INCREASE

Director Tracy stated that her budget is pretty straight forward and having success in getting people to payback services rendered. The only big increase is adjusting the burials to come up to State standards. There have been 11 people who have come in the past year and not all needing assistance as a lot had assistance through avenues that they didn't know they had. One of those avenues is life insurance through bank accounts for \$1000 that they didn't realize. One thing to note is that people coming in for burials have had nothing to do with drug overdoses. They were people with age issues coming from nursing homes or hospice.

Director Tracy wanted to note that things are working well with the partnerships with the churches and the TRIP center. She did track that 69 people have secured employment through today and have not come in for anymore services. The larger management companies in town have been working very well with not renting a place to people who cannot afford the rent which has been a big problem in the past. An example of this is charging a person \$700/month for rent and their income is only \$721/month.

City Manager Dragon mentioned that just recently a sizeable check with brought in. Director Tracy piped in stating that was for a lien and this year we have recouped \$8300. Notices of Reminders that liens are due and this is done at times around when other big bills wouldn't be due. Many people do not understand that one way or another the city will collect.

Director Tracy stated the Mayor gave us a packet from the Health and Human Services which contracted with Easter Seals the Ask the Question initiative with veterans and they asked Sara to be in the video. She is in the video under the condition that the City of Franklin received credit.

Director Tracy wanted to note that personal training to add to the offices she is now a certified recovery coach and certified through NAMI connect trainer for prevention and postvention suicide training. Mayor Merrifield asked how long has she been in this role. Director Tracy stated five years. Mayor then stated history doesn't state how far she has brought us. Director Tracy says the best thing she can do is say no. She spends more time talking with people to find

out what they can do for themselves. The biggest frustration is with DCYF and the amount of times you have to call as they don't call you back as they are so tight staffed. Councilor Clarenbach asked that the two shelters we use are Concord and Plymouth. Director Tracy stated we use Carrie House, which is a Salvation Army, in Laconia and the sister house is Mackenna House is in Concord. The Bridge House is in Plymouth which we use a lot and they have a lot of rules and they test everyone but a lot is based on availability. Councilor Clarenbach then asked do we pay a fee. Director Tracy stated we do and a lot of communities do not and it is \$10 a day. Belknap House, in Laconia, is opening up as a hostel in the summer for Belknap County residents only and then a family shelter in the winter. Those who don't follow the protocols won't be able to stay.

Councilor Dzujna asked if the suicide training was done through Franklin Hospital or the grant the school got. Director Tracy stated that all the training she received was not supported by the city she paid for it herself. Councilor Dzujna stated that he wanted to know if she took advantage of the grant the school got for the mental health training and Director Tracy interjected that she is a trainer for that grant if they wanted to use it but the school has not responded to her. Councilor Clarenbach stated Director Tracy mentioned issues with mental health and wanted to know if she knew what Merrimack County was doing about the 11/15 waivers as Belknap County is taking a very proactive stand with Genesis. Director Tracy stated she has asked Act Teams to come to the adult rap but they have not responded.

IV. CITY CLERK/TAX COLLECTOR DEPARTMENT – 3% INCREASE

City Clerk Gargano stated her statistics for motor vehicle have stayed the same, vital records are up a little bit, dogs are pretty much the same, hunting and fishing are down probably due to the State raising the fees for the first time in several years, ORHV registrations are down due to the snowless winter, LRSC registrations are down as they are required to do them online now so we will probably not see many of them in the future, water/sewer bills have stayed the same, water/sewer payment arrangements are back up as people learned the how to work new system, property tax bills are down just a bit, property tax payment arrangements are up just a bit.

City Clerk Gargano stated that the Professional Development line went up some to cover the cost of the various workshops, conferences and trainings. Other professional services line is the mortgagee researcher and that went down as they are not doing as many lien researches. Membership/Dues went up as City Clerk Gargano will belong to the NE Clerk's Association so she can start the next step of trainings to become a Master City Clerk. Books/Pubs went down as the book pricing skyrocketed so they are going to try and get the books elsewhere.

City Clerk Gargano went to page 29 to Elections. There is an increase as there are 3 elections this year and there were only 2 last year. Other contracted services has an increase as the fee has increased to service the machines to count the ballots. Misc. supplies has also increased and this covers election workers lunch, supplies and creating ballots. Councilor Dzujna asked

do you have many problems on Election Day. City Clerk Gargano stated she tries to do her rounds to all three polling places and the State comes out to do their inspection. There really haven't been any issues for the past couple of elections. Councilor Dzujna asked if we got any bad marks from the AG because there weren't enough Councilors present or anything like that. Councilor Clarenbach stated that is only on the winter election for the Governor and Senator Election. You don't have to be there for any other election. Mayor stated that the Governor just signed a bill this past year allowing Selectman/Councilors to appoint an alternate to take their place at the polls.

Councilor Barton noticed that the workers comp. is different on each budget. City Manager Dragon stated that the positions are rated differently based on your position. Councilor Barton then asked what is the overall increase and Director Milner stated 5.4%.

Councilor Zink stated that there was some question about the security in Ward 3 about the voting and wanted to know if there was going to be a change in Ward 3's location. City Clerk Gargano stated she hadn't been notified. City Manager Dragon stated there was a conversation but a change to the ward maps would have to happen and there has been no change made at this time. Mayor Merrifield stated that State Law states you have to have voting physically in the ward where voting is to take place. City Manager Dragon stated that there were suggestions made that they have a teacher in service day so school is not in session on those days.

Councilor Clarenbach stated that RD Edmunds is going to be sold to GMI and wondered what the number of vehicle registrations and amount would be lost if they register all their vehicles in Belmont and if City Clerk Gargano could look into that.

V. LIBRARY – 1% DECREASE

Stephanie Bendixsen, Chair of Board of Trustees, spoke about the Library goals to meet the community's needs and align with that. They have a high technology use even with people using the free Wi-Fi outside when they are closed. They just want to support the community with their location, meeting room upstairs, education and their ship this year is in children programming to catch them at a young age to build that desire for learning. They have worked on connecting on social media, school visits and field trips to the library. They are looking at supporting a book club at the library next year. Board Chair Bendixsen stated they volunteer to fundraise for the scholarships that they give to the high school each year. They are asking for the same level funding this year. The programming line has an increase but that is because they shifted money there but they are not asking for more money. This past February they held a program that had over 75 participants and saw a 45% jump in circulation with juvenile participation the next month. They are just trying to get kids engaged with their summer program and feel that is the best use of their funding.

Councilor Dzujna stated they are doing a great job and wanted to know if they are seeing more people using the upstairs? Board Chair Bendixsen stated yes and they use the room quite a bit for multi uses. They offer it as a free location when the library is open and even have birthday parties there. Councilor Dzujna asked if they have seen a big increase in people utilizing that space because of that. Board Chair Bendixsen stated that they have 30-40 people a month asking to use the space and we are not sure why so it is hard to track.

Councilor Barton stated that it shows you have a decrease in utility is that a safe gamble. Director Sargent spoke up and stated that they have found lower cost carriers for some of their utilities so that is the reason for the decrease

Councilor Zink stated that the nights your open there are young kids without parents, is that a problem? Board Chair Bendixsen stated that is not a problem as it is a place where children should feel safe. The upstairs room is closed and not allowed up there. The kids are not running around unsupervised. Most of the time the time are using the computers. We would hope that the library is a place where they feel safe.

VI. FINANCE – 4% INCREASE

Director Milner stated that pretty much everything is level funded. Payroll checks are going down as more people are opting for direct deposit. The auditing line has gone up as the single audit fees in the past have been with other funds and not in the general fund. Those funds no longer have those grants because the projects are completed so those are in the general fund this year and partially offset by revenue. Other contracted services have decreased 100% as that was for on the desktop services but it is not ready for that yet so it was taken off. Dues has a small increase to add Melissa for the same training as Director Milner as she is taking on more of the higher functions of the office.

Councilor Starkweather asked about the Affordable Care Act's part time employee 29.5 hour deal and how does that impact us. Director Milner stated that it impacts a few employees and only one person at the recreation center we watch like a hawk.

VII. MISCELLANOUS

City Manager Dragon stated this is where we go through the budget and pick up any items that aren't covered in the other departments. City Manager Dragon talked about the following:

Page 25 – Membership/Dues has an increase due to an increase in NHMA dues

Page 26 – Everything is pretty much level funded. Joint loss safety committee was reduced as most safety equipment is bought by depts. The contingency fund has been reduced as well. The USDA grant was in this, for the Downtown Coordinator, but we don't have this grant going forward so we are looking to do something else to carry it forward. Councilor Dzujna asked

what was meant by carrying it forward through a grant or in the budget. City Manager Dragon explained that the \$50K grant we got through USDA grant was to fund Niels contract and we are working on that currently. We would like to continue Niel's contract beyond the one year contract if we can find funding for it. Councilor Clarenbach asked if he will be a replacement for Jim. City Manager Dragon stated that Niel is working on specific projects and tasks. Jim is our economic go to person and works for FBIDC.

Councilor Clarenbach asked about the nuisance abatement and the 17K carryover. Director Milner explained. City Manager Dragon explained that there are some projects coming up so she has left the line item level funded.

Page 34 – Assessing department is level funded and we have kept the contract at \$80K and we have kept them within their hours. At some point we will have to up the contract as it has been at this level for several years.

Page 35 – Data Processing budget which includes our software. At the next update we want to switch all the software to Avitar for the city but doesn't make sense until that time. Proposed tracking software for purchase orders currently is not cloud based so that won't work for us right now. Fire Dept's server was taken out as it is going to be replaced in this year's budget. Legal Services is level funded.

Page 42 – Insurances budget has increased but it is due to the city adding things. The cost is level funded. Councilor Starkweather asked when the last time each department did a physical inventory was. Director Milner stated they do one every year.

Page 83 – Debt Services is where you see the bonds.

Page 86 – Interfund Operating Transfers Out is where you see the Capital Reserves for the Municipal Bldgs and the Bessie Rowell.

City Manager stated the next meeting is in June and is outside agencies and then the next night, Tuesday, is the School budget. She did explain that she has a meeting with them in June the Thursday before the June Council Meeting. There are still several things that haven't been given by them.

Councilor Dzujna asked that if you don't get all the information would be it be productive to meet with them. City Manager stated that without all the information she can't help them to the fullest. Mayor Merrifield states that there is a mandated increase of \$500K for computers, books and supplies so who mandated that. Director Milner stated that she has seen documents that in some it is in and others it is out so she is not sure. Councilor Clarenbach stated that in the past there have been issues with their spreadsheets with wrong numbers.

Councilor Desrochers stated his has a concern that the school board has only met twice for the budget and the first meeting on 4 members out of 9 showed up so they could only talk and not do anything. The following meeting they had 8 members and the Chair didn't show up. How much time have they actually spent on this budget? His impression is that they have just put it together and said ok send to the Council and let them deal with it. Councilor Clarenbach, Mayor Merrifield and City Manager Dragon all stated that the School Board, the Superintendent and Business Administrator are all new and are probably not familiar with the process. Councilor Clarenbach stated this is a perfect storm to what is probably happening.

Councilor Zink stated she is hearing from constituents if the city has more money to give to the school and how would that work, where would the money come from, cutting from city's budget, raising the tax cap, etc. Mayor Merrifield stated all of the above are possibilities there are also the Special Ed trust fund and Capital Reserve School Fund which are not good options. Councilor Desrochers stated that is a bad idea to even touch those funds. Councilor Dzujna agrees that those funds should not be touched. Mayor Merrifield agreed but those are one time options just not good options.

City Manager Dragon stated that they have heard the school's budget is 1.3M over revenues but have not seen their budget. Councilor Desrochers stated they have gone this route before with the prior School Board. Mayor Merrifield stated he is not sure where you get 1.3M from as that would be a 13% tax increase and the community can't sustain that. Councilor Wells asked is there a reason why we get it in the 2nd week in June, can't we move them up in the system. City Manager stated they don't get there number until after the May Council Meeting but they can certainly move it up closer to that time. Councilor Clarenbach stated he wants to hear a plan of how we are going to improve the schools. The challenge is we all have to be on the same page and have to get down to what is in the best interest for the City of Franklin.

Motion to adjourn made by Councilor Barton, seconded by Councilor Clarenbach. All in favor; meeting adjourned at 8:17 p.m.

Respectfully Submitted,

Lauraine G. Paquin



City Council Budget Workshop Meeting Monday, June 13, 2016

Call to Order

Mayor Merrifield called the meeting to order in the Council Chambers, Franklin City Hall at 6:02 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 Dzujna.

Mayor Merrifield mentioned that since they haven't heard the school's budget yet he is going to strike Item II from tonight's agenda.

Agenda Item I – BUDGET REVIEW – OUTSIDE AGENCIES

I. UPPER MERRIMACK RIVER LOCAL ADVISORY COMMITTEE – pg 81

Nita Tomaszewski highlighted a few points regarding the letter presented. She spoke towards the water quality and monitoring. They are asking for \$250 from Franklin and they do ask for money from other towns/cities as well. They did sponsor an intern from Franklin this past year who did a wonderful job putting their data together.

II. FRANKLIN OUTING CLUB – pg 81

Kathy Fuller stated she represents the Outing Club and has been treasurer for a number of years. She wanted to thank the Mayor and City Council's support as they would not continue to operate if the City did not fund the Liability and Workers Comp. Insurance. This past year they did not operate one lift for even part of one day, it was a terrible winter. They are hoping to get a full refund of the Workers Comp. Insurance but that usually doesn't come until November or December. They are in their 55th year of operation and maintain a membership of between 30-50 families and the volunteer efforts maintain the t-bar and rope tow. A new septic system

will be installed and it will be at no cost to the Outing Club or City as it is being donated. Annually the Winter Carnival book does offset the Winter Carnival costs.

In July they will have a 9-hole Frisbee Golf opening. The Snowmobile Club has been having fundraisers with the Outing Club as they would like the garage to go in once the septic is in. The trails are used year round. They took over the fishing derby this year and felt it was very successful. A handicapped ramp was installed this year by Home Depot volunteers and their materials.

Councilor Dzujna wanted to thank them for their work there. He stated he heard that if they don't open the State has to come in and retest everything. Kathy stated it is two years but they do come annually to inspect their lifts. She stated because they have been in existence longer than any other ski area, and there are no all-volunteer ones left, they didn't have to pay for a license this year. Next year they will pay it and then they will be grandfathered in. City Manager asked that when they rent out for events are they requiring a certificate of insurance. Kathy stated she makes sure the City is on there as well.

III. AMERICAN RED CROSS – None

IV. GRANITE STATE ANIMAL LEAGUE (FRANKLIN ANIMAL SHELTER) – pg 72

Tom Seymour, President, and Jeff Roker, Asst. Treasurer, spoke to the Council. He stated that at the end of 2015 the Board of Directors had 13 very dedicated individuals. The mission of this board is to care for all of the City of Franklin's abandoned, neglected, abused and unwanted cats and dogs. 2015 was a very good year for the shelter and signature fundraising events like St. Valentine's Day raffle, 5K run/walk, Concert for the Animals and Paws in the Park was their focus.

Animal placements rose 87% over the previous year, daily costs of operations rose 17% and veterinary costs dropped by 17%. The net ordinary income is \$17,278 and there is \$28K in the capital campaign fund. The BOD from a strategic planning session in 2014 stated that the capital campaign is a major need for the shelter itself. Some of these funds are for updating the cat crates and dog kennels to a more modular system to be moved into any type of configuration at any time. These upgrades have cost to date \$20K.

They have expanded their services to Northfield and Hill to accept their surrenders. They have renewed their contract with Petco in Gilford as their cats are on display in their store and a lot of cats are adopted by doing this.

They are asking for level funding again this year so that will leave them to fundraise the remaining 56%. City Manager Dragon asked if they considered a set fee with Northfield and Hill for their surrenders. Jeff stated that they stayed away from animal control contracts and they are not taking in their strays. They are taking in surrenders from their residents for a fee. City

Manager Dragon asked if he has asked the other cities for donations to their capital campaign. Jeff stated that you prefer to move the animals and not make money on them. City Manager Dragon asked that if the fees barely offset the costs, why take in the surrenders from other communities if it doesn't help offset the cost of the budget. Tom stated there is capacity that they are not filling and it allows a broader exposure which brings in more money from donations.

Councilor Barton asked if there a significant reason for owner surrenders and strays. None other than as they gain visibility they gain activity. Councilor Giunta stated our budget is very tight and you should have that number then add some to it when you adopt out the animals so that the City of Franklin is not subsidizing this. Tom added if they did that then they would not adopt out any animals as they would not be competitive. Councilor Giunta stated that he was saying that the communities that bring in the strays subsidize what it costs us to adopt them out. Jeff stated we are a business and we do look at all dollars and they are spent wisely. Tom stated that in 2014 they did increase their prices.

V. FBIDC – pg 81 Jim Aberg spoke and stated they are asking for level funding of \$45K of which they give back to the city \$6K for their space. The past year they have worked with Permacity Life, who has purchased 7 properties with the bank that back stopped these loans. Director Lewis got a grant in which we hired a Downtown Coordinator, Niel Cannon. Niel has applied for \$500K tax credits through CDFIA. Those credits would be awarded over two years and used for façade improvements for any building owned by a non-profit and that building owner would have to match the grant with 50% equity. Franklin Savings Bank has pledged \$100K in additional funds against those matching grants. There have been conversations with others and feel they may step forward as well. We should hear something around Aug 9 or 10 if we were awarded those tax credits.

They have raised \$3K for the flower project initiative. Councilor Dzujna volunteers his time by bringing the baskets to the growers and coordinates the watering and without that it wouldn't get done. Councilor Zink asked if they had a plan for the buildings by the VFW. Jim stated they had a plan and Permacity was going to buy the auto parts store and the building attached to Al's Pizza. FBIDC has a contract with Nano's pizza, 169, and it is contingent on finding a tenant. However there are major mold issues with that building that will most likely prohibit them from moving forward. It is going to cost more than what they have.

City Manager Dragon stated that's why this relationship works so well is that they brainstorm on what ideas may work within the City. Like with the Caio Pasta property and Lenny's property next door she will talk with FBIDC and how to deal with clean up but that is another area we are focused on.

Counselor Desrochers stated if you tear down the pizza place you can get more parking for the auto parts store and green space. Jim stated it is a good idea as there is a patio behind it that overlooks the water.

VI. COMMUNITY ACTION PROGRAM TRIP CENTER – None

VII. CAREER FIREFIGHTERS ASSOCIATION – None

VIII. COMMUNITY ACTION PROGRAM (CAP) – pg 72 Gail Lyman spoke about asking towns/cities they service to help support and they support 8 towns out of the Franklin center. The federal share this year is going to be lower. CAP area center does things to allow people to stay in their homes longer like fuel assistance, state wide electrical discount program, neighbor helping neighbor, back rent, security deposits and they do things the City doesn't do. By supporting this program you are helping the war on poverty. City Manager asked what the federal share amount is. Gail stated last year it was 61% and this year it is 54%.

IX. CONSERVATION COMMISSION – pg 86 Roy Gilbreth stated they normally ask for level funding but due to fee increases from the state and they are hoping for an increase to cover that. There is a lot of activity at the lake with people getting their boats out of the water. They are also looking into the Emerald Ash Borer. Roy went to a seminar in Concord. The Emerald Ash Borer cannot be stopped and anticipate every ash tree in Concord will be gone in 10 years. There are two things that you can do one is systemic – which you treat trees for \$100-\$150 each annually. The second option is to use parasitic wasps and you place them and when they hatch they eat the Emerald Ash Borer but they won't get all of them. It is in Franklin and in 2015 the wasps were released in Northfield. In Franklin the majority of ash trees are in wetlands and there are only about 5 trees in downtown that are worth saving at about \$1K a year. The commission is looking at possibly getting a grant but not sure where that will go.

Algonquin Power is looking to put a fish path where Stevens Mill used to be. Trout unlimited is to put boards in the streams and that will be happening. There is no anticipation of cutting in the forests. Councilor Clarenbach asked about the funds from the Great Gains Forest can be diverted to the Emerald Ash Borer. Roy stated the funds are to be for the indigent but not sure as there is also an agreement with the City for plantings of \$1200 a year. Councilor Starkweather asked what they are doing with the boards. They are putting boards in to raise the water to create ripples that will create more oxygen in the streams for the fish. City Manager thanked them for working together and looking into the Emerald Ash Borer item.

X. FRANKLIN HISTORICAL SOCIETY – pg 81 Leigh Webb stated they are asking for level funding and since moving to their permanent home the amount of articles is flowing in. Sheet protectors are what they are needing to purchase. The larger the sleeve the more it costs. To display properly, handle without damaging, to archive and store them properly this is what they need. He stated that about 30% of the items are done properly and that is what the budget is going to purchase this year. They won't last as long if not stored properly.

Councilor Clarenbach asked if it is best where it is stored and how it is stored for the library's properties. Leigh stated that he hopes the Library of Trustees will address the problem.

Councilor Dzujna asked if they need to be temperature controlled. Leigh Webb stated in an ideal world yes but with our resources you have to do the best that you can.

XI. FRANKLIN VNA – pg 72 Nick Johnson asked the council for level funding of \$26,945 as they too are facing restrictions and the insurances are paying less and less every year. For medicare they are in the 3rd year of a 2% reduction. They have responded by cutting expenditures by \$130K and the employees are not getting a standard 3% raise. They do ask for funding from seven other towns but Franklin is there home town. Councilor Giunta stated he knows how tough it is to not give that 3% raise and you are not alone in that. Councilor Clarenbach asked if their operating losses are offset by endowment money. Nick stated they do have some prior year money saved that is helping. Medicare used to pay more but now it is making it very hard. It is not endowment money or board restricted funds. Councilor Starkweather asked if Obamacare is working for them. Nick stated it is not helping as it is making sure you have money but it doesn't mean it pays more.

XII. LAKES REGION PLANNING COMMISSION – City Manager Dragon stated it is as good as you make it, take advantage of the programs they offer and access the funds they get. For the City Manager Dragon it is about accessing the funds.

Agenda Item II – OVERALL BUDGET REVIEW and changes by the Council

Stricken from agenda at beginning of meeting as they need to hear school's budget presentation.

Agenda Item III – FY17 CONTINUING RESOLUTION

City Council to consider adopting Resolution #12-16 to allow the City to expend like appropriations until the FY17 budget is adopted.

Motion: Councilor Desrochers move that the Franklin City Council adopt Resolution #12-16 to allow the City to expend like appropriations until the FY17 budget is adopted. Motion seconded by Councilor Dzujna.

RESOLUTION #12-16

A Resolution relating to payment of necessary accounts payable and payroll in fiscal year 2016.

In the year of our Lord, Two Thousand Sixteen,

WHEREAS, The City Council of the City of Franklin has not adopted a Budget for Fiscal Year 2017, which will begin July 1, 2016, and

WHEREAS, The City Council of the City of Franklin wishes that all necessary accounts payable and payrolls be paid during the month of July 2016, now

THEREFORE, BE IT RESOLVED THAT, The City Council of the City of Franklin does hereby authorize payment of like FY2016 expenditures for both accounts payable and payroll and further authorizes the City Treasurer to draw necessary drafts as approved by the City Manager/Superintendent up to the time that the 2017 Fiscal Year Budget is adopted by a roll call vote.

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 IV – OTHER BUSINESS

City Council to consider the minutes of the May 9th and May 16th, 2016 Budget Workshop City Council Meetings.

Motion: *Councilor Giunta move that the Franklin City Council consider the minutes of the May 9th and May 16th, 2016 Budget Workshop City Council Meetings. Motion seconded by Councilor Clarenbach.*

All in favor; motion passes.

City Council to consider removing from the table Map/Lot: 096/407/000.

Motion: *Councilor Clarenbach move that the Franklin City Council remove from the table Map/Lot: 096/407/000. Motion seconded by Councilor Barton.*

All in favor; motion passes.

Motion: *Councilor Clarenbach moved that the City of Franklin accept the tax deeds on the following parcels: Map/Lot: 096/407/000. Motion seconded by Councilor Dzujna.*

All in favor; motion passes.

City Manager Dragon spoke about ADA issues at Thompson Hall, owned by Congregational Church of Franklin, replacement of locking mechanism on exterior door, modification of existing ramp/entrance and location of hand railing. This will allow us to use the space for voting for the next fifteen (15) years. The cost is estimated to be \$5,000.

Councilor Clarenbach asked if there is anything in here for insurance to protect the church from suit during polling hours. City Manager Dragon stated we can get them a certificate of insurance for these times.

Motion: Councilor Clarenbach moved that the City of Franklin approve the proposed Memorandum of understanding with the Congregational Church to make improvements necessary for elections at Thompson Hall and authorize the Mayor or the City Manager to sign the agreement. Motion seconded by Councilor Desrochers.

Councilor Dzujna asked if the work is being done by the City. City Manager Dragon stated yes. Councilor Wells asked do we know what kind of ADA requirements will be in 15 years and who will be responsible. City Manager Dragon stated we would not but we do have protection in existing building and existing use and look to make modifications as we look forward. Councilor Wells asked would we be responsible. City Manager Dragon stated we would not. In the future if we were cited with any issues it would brought back to the Council.

All in favor; motion passes.

City Manager Dragon stated that originally the Withdrawal Committee sent the withdrawal plan to the Education Committee and that meeting was scheduled for June 16 but that meeting has been postponed until the July meeting so that both district attorneys can meet and come to agreement on district assets.

City Manager Dragon talked about the road proposals project. They did get proposals and they are ready to award to GMI Asphalt, who was the lower bidder and they are moving their business to Franklin. R&D Paving was sent a letter as they were very upset that they didn't get the project.

City Manager Dragon updated the Council on the Sober House. Their Pro Bono lawyer proposed a zoning ordinance change but it is not suitable as there are a lot of issues with it. The NH Fire Marshal went out and did a separate inspection and they agree with the Franklin Fire Dept & Code Enforcement Office about the life safety issues.

Councilor Desrochers asked why the Superintendent is presenting to the State as he was not part of the committee and he is against withdrawing and the committee voted to withdraw. City Manager Dragon stated that it is part of his role whether he is against it or not he has to present what the committee voted on.

Mayor stated that he believes that we are going to have several meetings to come to agreement on the school budget and the July meeting is not realistic but are up against a time crunch with July 27 deadline. Councilor Clarenbach agreed July 5 is out of reach and we need to meet three times a week if necessary. Councilor Desrochers agreed as well that July 5 is out of reach. Councilor Giunta asked will they work with us. Councilor Dzujna agreed we need to meet and get the school side working together.

Motion to adjourn made by Councilor Giunta, seconded by Councilor Clarenbach. All in favor; meeting adjourned at 8:31 p.m.

Respectfully Submitted,

Lauraine G. Paquin



City Council Budget Workshop Meeting Monday, June 14, 2016

Call to Order

Mayor Merrifield called the meeting to order in the Council Chambers, Franklin City Hall at 6:02 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 Giunta.

Mayor Merrifield explained that tonight is not a public hearing and they are not taking public comments. The City Council is receiving information from the school district about their proposed budget and it gives the City Council a chance to ask clarifying questions. Tonight is also scholarship night at the high school and Mayor Merrifield needs to step out to present the Mayor's scholarship so Councilor Giunta will be filling in for the time that the Mayor steps out.

BUDGET REVIEW – SCHOOL PRESENTATION

Superintendent LeGallo explained that there are three (3) pieces of information that was handed out - PowerPoint presentation, expenditures to date for this year's budget and a line item budget for 16-17 school year. He thanked all who helped put this budget together. Superintendent LeGallo went through the PowerPoint presentation. Within that he shared that there are 1,139 students in the district and the budget presented was \$16,174,200.60 which is 6.4% more than the current year's budget.

Councilor Barton asked about the chart that shows the students at Paul Smith School with the fewest students and that is the highest in the budget so far. Superintendent LeGallo stated that they don't have an Art Teacher or a Behavioral Specialist so that is the reason for the increase. Mayor Merrifield expanded on that question to ask that those are the only two new positions at the Paul Smith School in the budget. Superintendent LeGallo stated that is correct.

Councilor Starkweather asked where are athletics listed. Superintendent LeGallo stated it is in the 1400's section. Councilor Starkweather then asked any idea how much that is. Superintendent LeGallo stated it is about \$260K on page 8/9. Councilor Starkweather then asked do you have any contracts coming up mid-year. Superintendent LeGallo stated that they don't have any contracts coming up mid-year but this budget represents agreements with custodial union and support staff union and next year they will be negotiating with the teachers. Councilor Starkweather stated that a few months ago a school employee came to the Council with concerns about the school and voting and it was stated that would have to be discussed with the union is that being done. Superintendent LeGallo stated it is being looked at.

Councilor Zink stated the difference in projected revenue is \$1,692,000 and asked if they have any ideas or suggestions on how they can bridge that gap. Superintendent LeGallo stated he is just hoping that all options will be considered. Mayor Merrifield stated that after their meeting last evening they believe the situation is serious enough that the July 5 Council meeting won't work for the public hearing and feel they need to have joint meetings with the school to work together and come up with solutions.

Councilor Clarenbach stated his concern that this is a trend with a reduction in enrollment year after year that we have and the problem that he has with a 6.4% increase is we are not changing the way we are educating our children. One of the things he would love to discuss with the School Board is how we are going to get to that other place. We can't continue to hold onto our resources if our enrollment continues to go down. School Board Chair Husband stated that enrollment is not really going down it is a rollercoaster. Councilor Clarenbach interjected that he agrees but we have to do things differently. School Board Chair Husband replied that the State is reciprocal. Councilor Clarenbach replied that he understands but we can't find a \$1M and break the tax cap and expect this problem is going to get better without changing the way we educate our students. We clearly heard last week from people who are passionate about things but we have to do work. Mayor Merrifield stated that this trend in NH was identified during Governor Lynch's Administration. He had a select committee stating we are a greying State and we have fewer and fewer students on average over 12-15 years a loss of 1% which is also what Franklin is seeing. School Board Chair Husband stated he would agree but our commitment for education based on our per pupil cost doesn't look like we value education. It doesn't appear that it is important for our community and those numbers haven't changed. What do we want to be as a community and do we have a problem with how we allocate money in the first place.

Councilor Clarenbach agreed that Franklin is a product of what it has for housing and it hasn't been managed to be for the best community that it could. The challenge is to understand what is in front of us and how do we get through that. You can't talk about \$1M only to get where we were last year. School Board Chair Husband stated 100 years of the same behavior has to stop. He would like to see a strategic plan out of the Council and School Board so we have a vision and direction. For years all he has heard is that is your allotment of the tax cap and this is

our allotment of the tax cap and we treat each other like two separate entities and it has been happening for years. We are one community and we need to come together. Mayor Merrifield stated that there is a lot of work to be done and we need to entertain some dates because under the Charter if a budget isn't adopted the City Manager's budget is adopted. School Board Chair Husband stated to schedule a meeting every week.

School Board Member Brown stated that the Concord Monitor in November had a separation of 35/65 that it published and that hit home for her. Franklin depends too much on the grant funds and it is going to continue to get less and less. She feels that this is an area that needs to be looked at long term. We are also in a technology era and we can't supply our students with the proper technology due to funding. She is willing and desperately wanting to work with the City Council to bring us a budget that is going to support the needs of the district while working together.

School Board Chair Husband stated that the City Council voted to go forward with Withdrawal from the SAU. Mayor Merrifield interjected and stated that was the Withdrawal Committee and not the vote of these people. School Board Chair Husband then stated that came from the Withdrawal Committee that was appointed by this Council so that still continues and could still have an impact on our district. We are still in flux but could impact next year more than this year.

Councilor Wells stated that as he understands it the State is reducing the funds due to head counts due to over payments and that they are reducing it this year by 25%. School Board Chair Husband stated he didn't know that. Councilor Wells then asked did they pay the school district based on head counts. School Board Chair Husband stated he hadn't heard that. School Board Chair Husband stated there is the adequacy aid and that is being reduced each year. Councilor Wells then asked how are you going to deal with the short fall next year. School Board Chair Husband stated that is why he asked for the strategic plan for the next five (5) years to see where we are headed as a community.

Councilor Desrochers stated that fifty (50) years ago there wasn't the same structure housing in Franklin it was private ownership in the flats not cookie cutters apartments owned by bad landlords. These are homes being turned into apartments and have been done in the past several years. Some time back when he was at a School Board meeting and they were talking about putting in a preschool but If you are \$1M short this year how are you going to put in a preschool. You need to open the books to see if there can be cuts made. School Board Member Brown stated that Preschool was an investigation into the needs of the district to see if we change the model as there are grant monies out there.

City Manager Dragon talked about the Hill formula and that has already shifted to Franklin as those numbers have been decreasing and this year we went from a \$93K revenue to a next year \$67K for Hill and each year it will continue to decrease. In terms of downshifting that State has been doing it to the municipal side for years and the City of Franklin municipal side has suffered

a \$800K loss and it will continue as the retirement rates will rise on both sides next year. Every year City Manager Dragon offers the school to be the first group to submit to the Council and every year the school asks to be the last group to submit and that puts everyone in a difficult position. We knew last year that these revenue problems we were going to be facing so there was no reason not to have these conversations sooner. She had some great meetings with the Superintendent and Business Administrator recently and they agreed that \$380K could be cut from the budget and was surprised, as some of those were corrections to be made, that the budget increased rather than decreased. She also feels the timing of the pink slips is an issue and we need to try and find a way to better address that. There has been talk about financial consolidation and there have been concerns but that is a way to save \$100K and a way to work together and understand both budgets at the same time. One issue is the SAU audits were not getting done and we had to put \$250K on reserve. The adequacy was created back in the 1990s from the Claremont lawsuit. It was determined that Franklin was in greater need of funding for its education and Franklin receives over \$8M for its education. When people compare Franklin's budgets to other communities they don't normally take into account the adequacy funding so it looks like there is very low money going to the school vs the City but when you combine the total dollars it is over 60% going to the school and 40% going to the City. She is not talking about the tax cap or if it is right or not she is stating what happened with the Claremont lawsuit.

School Board Chair Husband asked how do we spend our money compared to other communities. Councilor Clarenbach stated again we have 100 years of challenges ahead of us based on what was done in the past. First we have an Urban Compact – roadway construction, the City of Franklin has to maintain all those roadways with their own funds and not State Funds. So when you compare Franklin to other towns like Newport and Tilton they don't have an Urban Compact, 25% of Franklin's housing are subsidized, 60% of the school lunches are reduced or free. You don't have families anymore you have residents and tenants living here who are constantly moving.

Councilor Dzujna agreed with Councilor Clarenbach that we have one pot of money that we have to share and we have to start earlier. We have tax deeding that we have to deal with and according to City Manager Dragon most Town Manager's only deal with this once or twice in their careers. We began this year with 80 properties and brought it down to 20 that we tax deeded.

Councilor Giunta stated that the meeting last evening was to meet as many times as needed to bring the numbers closer to have the school succeed and the City succeed. Councilor Starkweather stated he felt that they should come back to meet since this was the first time they were seeing these numbers and they needed time to digest. Councilor Barton stated he agreed with Councilor Starkweather that they needed time to digest the numbers. Councilor Wells stated that he hopes that next year's budget that they come earlier with their budget. Councilor Zink asked the School Board that on the estimated revenue page 16 the adequacy grant is the only one listed, are there other grants that the school gets. Superintendent LeGallo

stated yes they get other federal grants but they don't have the federal grants listed. She then asked what the amount of the federal grants are. Superintendent LeGallo replied about \$1.8M. If we are only looking at a 1.6M shortfall and you receive \$1.8M in grants can't you use that? Business Administrator Bergquist stated you can't supplement the budget with grants. School Board Chair Husband stated there were problems in 2010-2011 with the former administration and grants and they don't want to go back there. Councilor Zink then asked that there are two (2) additional positions at Paul Smith but there is an increase of \$300K. Superintendent LeGallo stated that also includes raises, benefits, etc. Councilor Zink stated the food program looks like it went down \$98K and the revenue also went down. Business Administrator Bergquist stated that the audit revealed that the revenue and expenses were not in line with what it is. School Board Member Brown stated that your food service budget has to be self-sufficient between revenue and expenses. Councilor Zink asked about tuition decrease of \$102K. Superintendent LeGallo stated that is the Hill students. Councilor Zink then asked about the district appropriation revenue. Superintendent LeGallo stated that is the tax cap portion from the City.

Councilor Dzujna stated he understands what grants are to be used for but they are not run through your budget or a specific line item for them. Business Administrator Bergquist stated no they are on grant reports. Councilor Dzujna asked how many grants make up the \$1.8M. Business Administrator Bergquist stated there are 10 and they change every year. Finance Director Milner stated that on the City budget the grants come in and support the operating through the general fund and that's maybe why the per pupil costs are low because that piece is not in their budget. Grants that are pass through, which are for someone else and not part of the budget, are generally on the special revenue fund. City Manager Dragon state you should be gross appropriating for funds spent as part of your budget unless they are pass through. School Board Chair Husband asked if this is the first time the City has heard the budget at all. Councilor Giunta stated not really it is the first time it has been presented like this. We've heard things on both sides and at least we both are starting from the same figure. School Board Chair Husband stated that there has to be diligence on both budgets. He stated is has to be a joint effort for the community. As we go through these meetings we need to be looking five (5) years out.

City Manager Dragon stated the City's line by line budget has been online for two months and we cut \$480K to bring it under the tax cap. All departments met to see where we can cut to bring it under the cap. School Board Chair Husband asked what was the City's portion of the tax cap this year. City Manager Dragon stated we received \$150K over a \$10M budget and cut \$480K to bring it under that. School Board Member Brown stated that the budget presented tonight includes all positions so you get a true picture of what is in the budget.

Councilor Starkweather asked if there are grants expiring this year that you can't count on. Superintendent LeGallo stated one (1) grant. Councilor Starkweather stated that special education was a moving target and you can get a bill six (6) months after the school year is over is that still correct. School Board Chair Husband stated you don't know until the student is assessed and that comes from the State. Councilor Starkweather asked about how many

foreign languages do we have. School Board Chair Husband stated they have Spanish. The problem they face is they have students who come in who are not at the same level so it disrupts the educational process.

Councilor Clarenbach stated in his seven (7) years he only voted for two (2) budgets. The challenge before us is there are 18 board members and how are we going to get them to agree to cuts in a very tight time frame.

Mayor offered a smaller group meeting to facilitate coming to a consensus quicker. School Board Chair Husband stated he feels that it should be both full groups as they both have a stake in this. He agreed one month is not going to get it done and we should focus on this budget right now.

Councilor Giunta stated there are big numbers in these budgets that we focus on and if we can't move these numbers then there is no sense moving forward.

School Board Member Brown asked about the City Manager's budget that was mentioned and how that breaks out for the school. City Manager Dragon stated it is based on the tax cap formula and numbers that you were already given.

Councilor Clarenbach stated that the longer term issue needs to have the principals and the department heads at the table as well and not just the two boards so we can hear of the items first hand.

Councilor Giunta stated that he is hoping things can happen before they meet again.

Mayor stated that the City Council and School Board agreed on meeting again on June 20, 2016.

Mayor stated that Rachel Capri received the Mayor's Scholarship.

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



Joint City Council & School Board Budget Workshop Meeting Monday, June 20, 2016

Call to Order

Mayor Merrifield called the meeting to order in the Council Chambers, Franklin City Hall at 6:03 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 School Board Chair Husband.

Mayor Merrifield asked the group if anyone had a good definition of Stabilization Aid. The Mayor stated that it is the difference of what Franklin used to get for adequacy aid and the number that the legislature has decided what we will get. Per Adequacy law every year they will take 4% until they reach they reach \$4M. When they are done Franklin will receive half of the State Aid then it used to get. Mayor Merrifield stated that he is considering taking the State back to court as Franklin can't raise those funds to cover what the State is cutting and it is hurting Franklin's education.

School Board Chair Husband stated he wants to share what the School Board has come up with (a few handouts were passed out). He stated they made three (3) adjustments in the revenue section this evening of \$281,783. On the second page, the items that are crossed out were items that are desperately needed but understand there are cuts that are needed to be made so \$283,692.66 was cut. Business Administrator Bergquist stated the second section had \$156,739.46 that was cut from salaries, benefits, health Ins., note interest for a total of \$440,432.12 which is still \$1.1M over budget.

Mayor Merrifield asked about the revenue of capital reserve of \$150K. Business Administrator Bergquist stated there is \$250K in Franklin's reserves specifically for the audits and now that they are caught up to 2014, what they are working on now, the auditors felt comfortable in releasing the \$150K. Mayor Merrifield clarified that this is a fund balance rather than a capital reserve. School Board Chair Husband stated that their actions resulted in \$281,783 in revenue changes and \$440,432.12 in total budget cut/changes.

Mayor Merrifield spoke about the Special Ed Trust Fund of \$160K and the Capital Reserve School Fund of \$100K. School Board Member Brown stated that the Special Ed Director came back and reduced their budget by \$100K thinking that if they needed it they could come and get it from that account. If they have a student who moves in that would need the services that is over and above the budget they can get it from that account. The other question is how does that account get replenished. As far as the \$100K, the middle school needs a roof as it is leaking and if we use this money we couldn't just take the funds from the budget. Mayor Merrifield stated those are legitimate concerns and feels those funds should stay intact.

Councilor Clarenbach spoke and agreed with the Mayor but if we don't use these funds when are we going to use these funds. We shouldn't worry about city funds or school funds we have to commingle funds and if the school needs a roof then we need to find funds from where ever they come from. That is the problem here over the next few years the projections are not positive and the trend is not going to get any better. Franklin has a revenue problem and it is not going to go away and that is the challenge. Each year going forward there is going to be less and less money coming into the City and how do we make that different. The school knows the school budget and the City knows the City budget and we need the administrators to bring forth what they can get by with that will cause the least amount of pain.

Mayor Merrifield brought up the idea to use funds in this coming year only that are dedicated for the purchase a fire truck and give those to the school. It is about \$82K. Councilor Barton asked if the cuts of \$283K was after last week's meeting. School Board Chair Husband stated that it was as of about 26 minutes ago. He stated that they met as a board and it wasn't an easy decision and we didn't get here overnight and there is even a board member who is going to approach churches for supplies as we need supplies.

School Board Chair Husband went through things and looked at the budget as a benchmarking exercise and what do other communities who are similar to Franklin in size, population, school and what do they look like (documents were passes out). On the documents are towns/cities that are similar to Franklin but they expend their funds differently. He stated that maybe we should consider what other communities are doing and relook at what we are doing, like the Mayor said these are hard times. These documents list everything for everyone to compare and benchmarking is a good exercise and you can learn from other people. School Board Chair Husband stated he gave these to his board and he wanted to share these with the Council to give them a chance to review these as well (a document was handed out). City Manager Dragon stated that when you look at these other communities you need to not only look at

population, size and schools but because we are a regional community it is important that we need to make sure we are comparing the calls of fire and police and the types of calls. Franklin has a great deal of domestic violence issues and drug issues and make sure we are comparing these types of calls to each of the towns/cities. You also need to compare the miles of road they maintain as Franklin has an Urban Compact. School Board Chair Husband asked if the Urban Compact is because we are a City. City Manager stated no and the City had asked them to take it back. We also asked them why Franklin has an Urban Compact and we don't know why. School Board Chair Husband agreed and also stated there is a big disparity in the dollars that are expended and on how those dollars are spent between these communities. Changes are going to have to be made somewhere as we have limited funds and limited tax base to draw those funds.

Councilor Giunta asked School Board Chair Husband what is his assessment? School Board Chair Husband stated he thinks there needs to be more research and understanding and reprioritize as a community and ask ourselves, where do we need to be or should be. Data can lie and maybe someone needs to reach out to these communities and other communities and compare Franklin to them. Claremont was one he thought was like us and they have a new community center that is full of people. Franklin is in a great location and should be thriving so something is wrong and as a community it needs to be fixed. Councilor Giunta stated that the Claremont adequacy aid was going to fix the problem and be the end all was the promise. School Board Chair Husband interjected that it is \$8.2M about half of what the budget is but it is going down. Councilor Clarenbach chimed in and stated that this community rested on what was Claremont II and didn't forecast where the revenues were going to get reduced too. Franklin didn't invest in itself 25 years ago and that is the challenge today. As government is changing it is the responsibility of the cities. The challenge is how do we do government and schools and Franklin can't keep doing what it has been doing. Mayor Merrifield stated that when the stabilization aide is gone it will be less than when the Claremont lawsuit began.

School Board Chair Husband stated that the Federal Government is downshifting and if you look at special education costs that are mandated, don't mandate anything unless you are going to fund it and the state is doing the same exact thing. Mayor Merrifield stated that the Supreme Court said that the State is primarily responsible for funding adequate education and they are pulling the funding. Councilor Giunta stated that this is not just student population loss this is unwinding what Claremont II wound up and it is shirking the responsibility of providing an adequate education and it is about the mandate. School Board Chair Husband wrote a memo to the Dept. of Education when Hill withdrew about losing the \$700K and it had no impact.

Councilor Dzujna stated that they know Franklin is in trouble and we all know we need to work together. You passed out a budget of \$15.7 and then it went to \$16.1 and now it is back to \$15.7. School Board Chair Husband stated that all the things in there are things that are vital to the school. The board spoke tonight about what is needed and made some cuts. We were asked to bring in a full budget so we brought in a full budget. The School Board knows they have work to do and they are committed to get it done.

Councilor Wells spoke and would like to challenge both to create a strategic plan so we all know what we are doing and how we are getting there by this time next year. To do this you have to think outside the box. He feels that we don't have to stay in the same rut we have been in. He would also like to see the school get a budget to the Council by February, knowing that it won't be perfect but a place to start. School Board Member Hallett-Cook stated that the School Board will have a strategic plan before this time next year and it will be a plan that we can all live with. It will have their strategies, goals, action steps, who's completing them and where is the money coming from to complete them. The Council will also have a better understanding of where the school's money is being spent and how it is being spent. She also agrees that they need to work together and have a vision for the City and have a strategic plan that works for everyone. She also agrees on having the budget early as if the budget is to the Council and approved by May 15 deadline then they won't have to give out the pink slips. Councilor Dzujna stated that part of working together is consolidation and there are people that are dead set against it but it is working together. Councilor Barton stated that they should sit together every 6 months and do it together. School Board Chair Husband stated one thing about a strategic plan it is a plan and every year it gets updated as it is not a stagnant document it's a living document. It needs to be monitored and updated. The school has had a strategic plan in the past and it wasn't followed it was more a concept.

Councilor Dzujna stated that with the removal of the ELO teacher there are people downtown who would love to bring in the kids once or twice a day to do an ELO plan. Mayor Merrifield stated someone would have to manage that. School Board Chair Husband stated they have looked at items like that but are not sure what the legalities are and need to look further into that.

School Board Member Dow stated that the school came in with the \$16.1M budget and then came in with \$440K in cuts and the only thing the City has offered is \$82K and the Capital Reserve Fund and the Special Ed Fund and nothing else, what else is the City looking to help do. Is the City looking to reallocation money, looking to reallocate taxes? Everyone received their tax bill a few weeks ago and it is a 65/35 split, which comes to almost \$25 for municipality and just over \$12 for the schools and that is the issue and not enough funding is going for schools and the City needs to reallocate the funds and have a 50/50 split of tax revenue of the money that the citizens of this town are giving in their taxes. Mayor Merrifield stated that the overall taxes are actually more than that with the adequacy money. Councilor Giunta stated that out of the total amount of money that Franklin brings in it spends more money than Laconia, Bristol, and Concord on the school. School Board Chair Husband stated that what School Board Member Dow is trying to address is local tax dollars. When you look at all the things out there Franklin has the least per student spending. Mayor Merrifield asked in what budget is Title I or SEA spending as those are federal funds and they don't show anywhere and are not expended per pupil. There are communities that do that and you can see them in their budgets. Councilor Giunta then asked in all these communities that we are being compared are those funds in their budgets and the Mayor didn't know but if their budgets are showing those

expenditures and ours are not then we are not comparable. Business Administrator Bergquist stated that when they report to the Department of Revenue they only report their budget, they do not include grant monies in their budget and she believes that is how they determine the per pupil cost on just their budget and not any Title I or grant monies as they are just an agent for them. Councilor Giunta wanted to know are we looking at comparable information here. Mayor Merrifield stated there are revenue accounts that don't appear in the budget and are we really reporting like others are.

School Board Chair Husband stated that we both need to go off and have another meeting ourselves and then come back together again. Councilor Giunta asked that some of the major components of the budget are salaries and is there any willingness to freeze salaries. School Board Member Dow stated that the Teachers are contractual and that doesn't come up again until September. In these cuts presented tonight there was some work done on the support staff, custodial, School Board and a freeze on raises to Administration.

Councilor Clarenbach stated that these are one year fixes and then in the next year it will be heavier. The challenge is you can only put so many things off and then you will have a huge amount of money that will never be able to be covered. As we get reduced revenue every year the problem is still there next year. If we blow the cap this year we still have the problem next year. The City of Franklin has a housing problem and that is the root of the problem. School Board Chair Husband stated the City and School Board were in this position 15 years ago. Everyone need to do something to reinvent the way things are done.

City Manager Dragon stated that the City's budget is under the tax cap and is \$11.6M and it has \$4.8M in revenues that we are taking in making it a \$6.75M on the tax rate. She also stated that if all was good and school revenues were level the school is still \$689K over the tax cap allocation. School Board Chair Husband stated that they need to step back and the whole point of us being here is that we are all one community and we are trying to find a solution so if we separate and start saying yes, them, we, they, we are going right back to where we were. \$1.1M is not a small number and collectively that is the challenge Franklin is faced with and the School Board has work to do and they know that they are not asking the City to do everything.

Motion to adjourn made by Councilor Clarenbach, seconded by Councilor Giunta. All in favor; meeting adjourned at 7:25 p.m.

Respectfully Submitted,

Lauraine G. Paquin



City Council Meeting June 6, 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 Boyd, Councilor Starkweather, Councilor Barton, Councilor Giunta, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon and Mayor Merrifield.

Salute to the Flag was led by Councilor Clarenbach.

Mayor Merrifield recognized Lexi Colpak for being an honor student and star athlete of Franklin High School, attending Thomas College and Northern Athletic Conference Rookie of the Year selection. The Mayor proclaims Monday, June 6, 2016 as Lexi Colpak Day.

Public Hearings

Resolution #11-16: A Resolution regarding the appropriation of \$6,000.00 to purchase two (2) video laryngoscopes.

No comments from the public.

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.

Several people spoke to the Council about funding the school budget to include: Lori Ingham, Gavin Riley, Jennifer Weaver, Julie, Amanda Maguire, Charlie Chapple, Jennifer Goulet, Jonathan Saucier, Jeff Savary, Keith Lohmann, Jennifer Enright, Emina Selimoric, Aimee Gargano, Jen Shangalle, Jo Brown, Caren Daniel, Lilly Makis, Crystal Slocum, Clarissa Martin, Adrienne Dion, Robert Holt, Christy Martin, Brian Colburn, Larry Hennessey, Jason Grevior, Regina Ford, Stacia Glover, Jaclyn Clark, Riley Roper, Councilor Boyd, Kyle von Adams, Mariah Pickering, Steven Bunker, John Lemoje, School Board Member Deb Brown. The Council took a 10 min recess. The Mayor resumed public comment and the following people spoke about funding the school budget: Shannon Hill, Werner Horn, Justin Fogg, Tim Moquin, Jason Grinavic, Anita Hernandez.

Choose Franklin – Jo Brown stated that they meet last Thursday and there will be no meeting in July but in August they will be bringing back non-profits. Sept 1 they will be having a non-partisan election and on Sept 26 they will be holding a candidates forum.

Legislative Comments – Senator Hosmer wanted to update the Council about the Legislative session on the opioid issue, worked on education funding, taking steps to criminalize fentanyl, recovery courts rather than a conviction, sought funding in peer to peer funding (Hope for Recovery), Granite Hammer will be voted on again on June 16, NH Health Protection Act renewed for 2 years covers mental health and abuse treatment, Winnepesaukee River Basin facility which is run by DES - changes were to give more local control.

Councilor Desrochers asked Senator Hosmer that the Federal Government is currently funding Medicaid about \$60M. Senator Hosmer stated he thinks it is more than that. Councilor Desrochers then asked what is the Legislature's plan when that money dries up. Senator Hosmer stated that the first portion of the program is 100% of funds and then it will ratchet down to 90% over 6-8 years but not turn Federal Funds away but don't know what the liability to the State is so a coalition was created with the hospitals and health care providers to create a special fund. They have been willing to assist with the difference what the Federal Government pays the State and then what the State is liable for going forward. Councilor Desrochers then asked that cities and towns are not going to be stuck with those bills and Senator Hosmer stated no. Councilor Desrochers went on to say that as you can see from tonight we don't have enough money for education we can't afford to pay for Medicaid expansion as well as State cost shifting. Cities and towns are definitely going broke and a lot of it is on part of the State. Senator Hosmer stated that he thinks Councilor Desrochers is right. He stated you can go back to 2009 when the State stopped offering aid to cities and towns. The State has been able to balance the budget by \$300M by cost shifting to cities and towns and he thinks that is wrong. If he is reelected he would like that fixed and returned to cities and towns and stop abusing our schools and roads and bridges. He stated they have to look at school building aide and look at bringing that back as well. It is about the funds and how they are allocated and we need to stop down shifting it. Councilor Desrochers then asked what is your plan to stop the down shifting as the money has to come from somewhere. Senator Hosmer stated we have to be really wise if we want to grow the economy in this state and one of the best ways is to make sure we have educated students to take the jobs in the 21st century, take a good hard look at energy in this state and he is a huge supporter of the Northern Pass.

Councilor Dzujna asked if recovery courts are planned in all cities and towns. Senator Hosmer stated no they will be primarily county based as there is really only one Judge doing it and that is Judge Carroll in Laconia doing it on a volunteer basis. He believes they will be rolling them out county by county.

Rep. Horn spoke about the finance committees at the State Legislature. Many legislatures didn't like that they came up with cutting the stabilization fund by 10%. They told them to go back and rework it so it is only 4%. Rep. Horn voted against it and so everyone understands this is money above and beyond what each city and town gets, per RSA, and it is about \$3600 per student. The stabilization

fund was created to stop the sticker shock when the State changed the adequacy. When it was changed some cities and towns would lose millions of dollars and Franklin would be hit pretty hard. It was created as additional set of funds and it will also go away at some point. Mayor Merrifield asked if Rep. Horn believes the State is meeting it's obligation under the constitution to provide an adequate education to every child in New Hampshire. Rep. Horn stated no and that he would also cut funding to UNH as today they have granite inlays in the dorms and they are spending \$17K on tables. Why fund a university when our kids aren't adequately funded.

Rep. Horn stated the State pensions has an unfunded 4 billion dollar liability as there are less state employees paying into the system. Revenue sharing was suspended in 2012 and that is still suspended. Rooms and meals is a major source of revenue for New Hampshire and collects over \$200M and they are funding municipalities 68% rather than giving them their 100% share. The general fund profits from the 32% that the State is keeping for highways, state troopers and other services. Highway Block grants is no longer giving \$30K as this was money coming from car registrations that is no longer being collected. The flood control money Franklin was shorted in 2012 and 2013. In 2016 Franklin got \$66K and there is another \$25K coming in FY17. State Aid grant Franklin should be getting \$500K over the course of the loan. The State says they weren't invoiced properly so Franklin wasn't put on the list to be paid. There is a bill that Franklin is on to be paid when funds become available. The adequacy funds is the Dept. of Education who decides what is adequate.

Councilor Desrochers asked that why is it when the Legislature talks about raising taxes it talks about a broad base tax (income tax) and why doesn't NH have a sales tax. Rep. Horn stated that he is happy that if there is a tax to raise it would be mostly tourists paying it and we don't put a tax burden of a sales tax on our NH residents of having their pockets picket whenever the legislature doesn't manage their money properly.

City Council Acknowledgements – Councilor Dzujna wanted to thank the young adults from the high school for putting up the plants. Councilor Dzujna also wanted to thank Ken LaBraney, Dan Case, Councilor Starkweather and Tim Morrill.

Mayor's Update - None

Agenda Item I.

City Council to consider the minutes of the May 2th, 2016 City Council Meeting.

Motion: Councilor Zink moved that the Franklin City Council consider the minutes of the May 2, 2016 City Council Meeting. Motion seconded by Councilor Desrochers.

All in favor; motion passes.

Agenda Item II.

School Board Report – School Board Member Scott Burns wanted to update that they started a strategic planning committee and the dropout rate is one thing they will focus on. There will be a meeting with the liaison committee and the Council this month on June 27. One thing the school board needs is a vision and community engagement. School Board Member Susan Hallett Cook stated that there needs to be accountability and vision and finding the positives in Franklin to be able to point out rather than the negatives.

Agenda Item III.

City Council to consider the approval of Resolution #11-16, a Resolution regarding the appropriation of \$6,000.00 to purchase two (2) video laryngoscopes.

Motion: Councilor Starkweather moved that the City of Franklin approve Resolution #11-16. A Resolution regarding the appropriation of \$6,000.00 to purchase two (2) video laryngoscopes. Motion seconded by Councilor Dzujna.

Roll Call:

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

All in favor; motion passes.

Agenda Item IV.

City Council to consider approval of one year Amateur Radio Repeater Site Lease with the Central New Hampshire Amateur Radio Club.

Motion: Councilor Clarenbach moved that the City of Franklin approve the one-year non-exclusive lease with the Central New Hampshire Amateur Radio Club effective July 1, 2016 and ending July 31, 2017. Motion seconded by Councilor Desrochers.

All in favor; motion passes.

Agenda Item V.

City Council to consider adoption of tax deeds.

Motion: Councilor Clarenbach moved that the City of Franklin accept the tax deeds on the following parcels: Map/Lot: 097/041/000, Map/Lot: 078/006/015, Map/Lot: 116/029/000, Map/Lot: 116/029/000, Map/Lot: 097/012/000, Map/Lot: 058/005/000, Map/Lot: 099/024/000, Map/Lot: 096/412/012, Map/Lot: 095/008/000, Map/Lot: 076/089/000, Map/Lot: 117/408/000, Map/Lot: 128/006/000, Map/Lot: 100/012/000. Motion seconded by Councilor Barton.

Councilor Desrochers stated he wasn't familiar with these properties and wanted to know what the city plans to do with the properties – sell them or demolish them and resell the land. He stated he is not interested in taking property that are worthless to resell for taxes just so we can spend money on fire and police to go to those properties. We need to improve Franklin by getting rid of properties that shouldn't be there to begin with. City Manager Dragon explained that the majority of the properties that are taken at tax deed time are in less than desirable condition. Code Enforcement Officer goes out to each property and inspects and then makes a recommendation if the property should be demolished. Each year we put funds in the budget for these properties. Our practice over the past few years is to demolish them, clean them up, make them green space with restricted covenants and sell them to the abutting properties. That is generally for parcels on small lots, in old neighborhoods and in not so great condition and that has worked really well but it is a case by case basis. There is a period of time that the property owner has the ability to buy the property back if they pay the back taxes plus interest and penalty. That time has to pass before anything can be done. At that time it is determined what the next approach is. This process is extremely difficult for the City Clerk/Tax Collector's office as well as the City Manager's office. If nothing is done than that shifts the burden to the taxpayers who are paying their taxes so as heartbreaking as it is, it is something that needs to be done to keep the check and balances in place. Councilor Barton noticed that some of the properties are being rented, what happens to the renters? City Manager stated that any property that is taken and people are living there then the city would have to go through the eviction process. Councilor Giunta wanted to thank the City Manager as one of these property owners who contacted him wanted to speak with someone who would listen. He stated then you didn't call the City Manager as they will always listen and now he is one of the properties crossed off.

Councilor Clarenbach stated his concern was with the 15% penalty. City Manager stated there is a State law that says you can assess a 15% penalty on the assessed value of the property after it goes to tax deed and that is why they try hard to keep it from going to tax deed. In the past, normally within 30 days the council has waived that penalty. He suggests a Council make a policy so that the City Manager is not left to advise them. It should be up to the Council to decide what window of time the homeowner has to come back to get the property. City Manager Dragon then stated the State changed the law this year to 10% and has exemptions if it is your primary home. The penalty is one way that motivates people to come up with the money to get the property back to avoid the fee. She states she doesn't tell people you have 30 days to come up with the money instead she states most

likely the Council will waive the fee if you pay within 30 days. She uses it as a way to urge them and then the Council votes on it each time.

Councilor Boyd asked about the status of Ciao Pasta. City Manager Dragon stated the city owns the building and she has been working with FBIDC. One of the problems is parking, the building behind it that burnt they put up a fence causing a parking problem. The property behind is contaminated; it is considered a browns field site. There are meetings being held on how to work around that to make the site more profitable location for someone to do business. Councilor Zink stated that it shows that 8 of the properties are occupied and one in a manufactured park so would we owe the park fees for that. What is the total dollar figure of all taxes owed for these? City Manager stated she didn't have the total dollar value as it is a daily interest rate that is applied. If it is a property in a mobile home park we contact them and look to see if we can make an arrangement as most likely they are not getting paid either. Councilor Zink then asked if there are people in the 8 properties. City Manager Dragon stated that most likely we would start an eviction process.

Councilor Dzujna asked that when the Code Enforcement Officer goes out is he allowed at any time to go inside the property. City Manager stated sometimes and it depends. They do not have the right to go inside to inspect for back taxes.

All in favor; motion passes.

Motion: Councilor Clarenbach moved that the City of Franklin accept the tax deeds on the following parcels: Map/Lot: 096/407/000. Motion seconded by Councilor Dzujna. Councilor Clarenbach move to table. Motion seconded by Councilor Desrochers.

All in favor; motion passes.

Agenda Item VI.

Other Business

1. **Committee Report** – Councilor Dzujna stated as you heard from School Board member Burns there will be a Liaison meeting on June 27 at 6:00 pm at City Hall downstairs.
2. **City Manager's Update** – City Manager Dragon advised that the City received the following contingent grant line amount: \$300 from Eversource for Dollars for Doers Grant, \$130 from Wild Lions Group donation to K9 Max and \$40 from FMS Children for the Love of Dog Dance donation to K9 Max.

Bench donations from Choose Franklin's "Great Franklin Bench Project" as five benches were created. Two benches are going on private property (FSB and Greviors) and three benches are going on City property (Marceau Park, Police Dept and Franklin Studio) with two of the benches being donated to the City.

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FY17 Budget is scheduled to hold work sessions on June 13 for outside agencies presentations, June 14 for school budget presentation and again on June 20 for budget work session if needed.

Choose Franklin Candidate Forum – Choose Franklin would like to use Council Chambers on Sept 26 for their annual candidate forum.

Leadership Lakes Region – Congratulations to Chief Kevin LaChapelle for his recent graduation from the Class of 2016 Leadership Lakes Region Program.

Adjournment

Motion to adjourn made by Councilor Boyd and seconded by Councilor Barton. All in favor; meeting adjourned at 9:27 p.m.

Respectfully Submitted,

Lauraine G. Paquin