

CITY COUNCIL BUDGET WORKSHOP MEETING MAY 30, 2007

In Attendance

Councilor Starkweather, Councilor Bowers, Councilor Gassett, Councilor Feener, Councilor Merrifield, Councilor LaFever, Councilor Boyd, Mayor Palfrey, Finance Director Ouellette and City Manager Doyon.

Absent

Councilor Andreozzi and Councilor Rabinowitz.

Mayor Palfrey opened the workshop meeting at 7:00 p.m. in the Council Chambers, Franklin City Hall.

Franklin School District

Superintendent Divoll and Business Administrator Clairmont for the School District presented a slide presentation of the proposed school budget for fiscal year 2008 and prior to the workshop meeting a hard copy of the school's budget was given to the Mayor and Councilors. Ms. Divoll did advise that the State sources for revenue are still up for debate, and she stated there is actually a number on the State website that is not the number the school has used in their budget. The number the State is showing is higher than the number the school is using in their budget, they are using the number the department gave the school in November from the Department of Education. Service revenues are an in and out, no tax impact, Food Service pays for itself. Local revenues include tuition (money from the Town of Hill), gate receipts for athletic events, rent and capital reserve. The School Board approved a motion for monies to pay for windows at Bessie Rowell School and the City Manager suggested that this project be considered a part of the budget process as opposed to a separate entity. So the \$223,000 is currently in the CIP Fund. State sources is about 54% of the budget and Councilor Merrifield asked if that includes the statewide property tax and Ms. Clairmont advised that it does not, the tax assessment includes that and the tax assessment is about 33% of the budget. Ms. Divoll advised that building aid is increased this year because of the Paul Smith School Project. She advised that they do not know what the final dollars will be from the state for the educational enhancement grant. She stated 19% of their budget is discretionary, the rest is non-discretionary funds. She advised that educationally this budget looks at professional development to improve education overall for the students and an increase of about \$10,000 for professional development to improve teaching skills. A teacher and teacher assistant position have been eliminated. She advised they are working very hard on gathering what is important for us to have more of and less of. She advised this budget is only a 2.2% increase over last year, in the future the school may need to add teachers. The plan is to be in the addition at Paul Smith School at the beginning of school in September. She advised they have also taken care of electrical updates at Bessie Rowell and are seeking bids for the playground at Bessie Rowell. Shades and

other safety modifications have been added at the schools. Ms. Divoll advised that this budget is an increase of \$104,302, 2.2% increase overall and this budget is figured on the way it has always been done in the past wherein proposed rather than actual dollars to set the budget is used. If the actual expenditure from the previous year was used and do the increase, it comes in below the tax cap by about \$26,000. She stated this is less than what they were told they could expend but it was after they were done with the entire process so this is actually \$26,000 below. She advised the Resource Officer is not in this budget. She advised this increase is smaller than the last two years but ahead they will have some tough decisions about teaching.

Councilor LaFever asked about the paving project for Rowell. Ms. Clairmont advised that project is not included in the budget but a resolution in the not too distant future will be brought forth to access funds in the CIP for this project. Councilor LaFever asked why the windows before the paving, when the paving appeared to be such a huge issue. Ms. Clairmont advised that the windows were also a huge issue and advised that the windows are put together with asbestos which open in and not out which is a large safety issue. The bid process was completed first with the windows and the paving bid process is not complete. Councilor LaFever asked how Primex feels about this being put off and Ms. Clairmont advised the school is not putting it off that the time line is to have it done by fall. Councilor LaFever advised that she had heard there would not be a computer class at the middle school next year and Ms. Divoll advised that is not correct. It will be different next year as sometimes it will be in the classroom and sometimes working with their regular education teacher. Councilor LaFever asked which teacher position was cut and was advised a position at the middle school called Nova-Net Teacher position and an assistant were cut and they were able to do this because the behavioral issues have been greatly reduced.

Councilor Starkweather requested expansion of the explanation on the parking lot for Rowell and he explained about 10 months ago it was a safety hazard and there was funding for it and now 10 months later nothing has happened. Ms. Clairmont responded things have happened, and she advised they have been working with an architect firm, and have engaged the service of an engineer and last week were doing the borings in order to test the site and putt into place the final bid documents. They look to have the bid out and returned by the first of July in order for the School Board to take action at their July meeting and then the school would bring forth a resolution by the beginning of August for the City Council in order to complete this project for the opening of school. Councilor Starkweather asked what the engineering study entailed. Ms. Clairmont advised it will entail a survey; at least 15 test borings of the perimeter of the building because paving will be done all around the building not just in the playground and parking lot area in the back. Councilor Starkweather states then this is more than just the parking lot; you are expanding the paved area. Ms. Clairmont advised that they are replacing the paved area as well as expanding on the left side of the building and includes

the playground area as well as a drainage issue. Ms. Divoll interjected; they are not doing the whole playground, just the current paved area. Councilor Bowers pointed out that if a resolution is brought to the Council in August, a public hearing will be set for September and that would be the earliest for approval. Ms. Clairmont responded yes and Councilor Bowers commented that he thought the goal was to have the work done before school opens. Ms. Clairmont stated that was the goal but the requirements to come to the Council are understood. Councilor Bowers questioned on the revenue line 1991 for retiree's health insurance, there should be an expense line that matches. Ms. Clairmont stated there is a line to match it and Councilor Bowers responded is it line 2850, and was advised yes that is correct. He stated those two lines are different amounts. The amount is line 2850 is \$216,000 and it shows revenues of \$258,500 so that is about \$40,000 extra in revenues. Ms. Clairmont stated in terms of what we expense is what we actually pay to the local government in terms of the individual's coverage based on what they need to pay but revenue is also generated for providing the service and that is the difference between the two. Councilor Bowers stated so the school gets paid \$40,000 and Ms. Clairmont replied yes. Councilor Bowers stated he noticed in the budget that the only actual figures used are from 2005 like comparing last year's budget to this year's budget, there are no actual amounts in terms of what has been expended this year. Ms. Clairmont responded basically because we have not finished the fiscal year, expenditure reports are provided reflecting where the school is at that time. Councilor Bowers stated if the figures are listed how can the Board look and see how you did on your budget. It came to light that monthly expenditure reports were not being given to the City, only to the Town of Hill. Ms. Divoll advised the City will receive monthly expenditure reports.

Last year the school lapsed \$635,000. Councilor Bowers commented the school actually should not be returning any funds. Ms. Divoll stated they will speak to that issue if the Council would like them to. Ms. Divoll advised that they budget based on the number of students placed in out of district programs and they are expensive. There is one student as an example that cost almost \$200,000. That student moves out of district, that is \$200,000. That happens frequently throughout the school year. There is no control as to who goes in and who goes out, they also have students placed by the Court who then come out, go in. The average tuition rate is \$36,000 for an out-of-district placement, which does not include transportation, which is another \$40,000 - \$50,000 for one child so if you have one child move in and out of the school district that is \$100,000. She further explained that this budget is based on exactly the number of students that are out now and if they come back to the district, it is a revenue savings. She further advised they have had a number of kids that have gone back and forth and a good portion of that, somewhere around \$400,000 of that money last year was special education money. She stated you would not want us to under-budget that amount. Councilor Feener commented that it is true the last few years there have been funds coming back and it could be contributed to luck or good fortune on the special ed side where the school has been able to save money and it is appreciated and the way the school is budgeting is a good way to

do it, conservative and have some funds coming back at the end of the year. He further stated he would much rather have the school send us money back as a lapse than have them come in March and say they just had a student placed in the district and need \$200,000. He stated this way it is conservative and he would not criticize the school for it and would want to see there budgeting stay this way. Councilor Bowers commented on the principal line for the high school that went up \$23,364. Ms. Divoll stated that is a new thing, the school now has a contract that includes payoffs when you leave for certain people, after 20 years it is a certain percentage and it equates to the \$23,364 for one person retiring. Councilor Starkweather asked about the salary listed for a building and grounds director as it showed \$10,403 and he questioned can you hire someone for that. Ms. Clairmont, she stated that is split between 4 accounts. Councilor Starkweather asked if there was anyway to move up the time line on the parking lot and get it done before school starts and before the asphalt takes another increase in price. Mayor Palfrey advised he would be happy to call a special council meeting to set a public hearing if need be.

Councilor Bowers asked how much it would be for a School Resource Officer. Ms. Divoll advised between the Police Department and the School it would be \$33,000 to \$43,000 annually but does not include benefits. Councilor Bowers stated it would be probably around \$60,000 with benefits. Councilor Bowers stated he feels that is a pretty important position and came up with student during Student Government Week and Councilor Bowers asked if there was a way to find funds for this position if the City could fund half. Ms. Divoll advised that they are \$28,000 under the tax cap and then she stated they could put \$30,000 back in. She stated she has talked with Chief Haas about this and he too would have to find the funds for his share. Councilor Starkweather questioned where the funding is for the van and Ms. Clairmont showed him in the budget where that figure was, he also asked what the van is used for and was informed they use it for many things, golf team uses it, the honor society uses it and it is used for field trips.

Councilor Merrifield asked that they comment on the Reading Specialist. Ms. Divoll stated they have had a reading specialist in their budget for a long time, it was paid by more than one source, it is now paid for by Franklin and Hill and this is not the total budgeted funds for the reading specialist as Hill pays for a portion of this position. Franklin's portion is \$38,000. This teacher works in the middle school and the high school on reading with students who need extra support. Councilor Merrifield inquired if funds are being moved for this position, are there decreases in other lines. Ms. Divoll stated yes and no, the \$38,300 came from some special ed money and a number of things were cobbled together to make this happen.

Culture & Recreation – Library (Page 41)

Director Rob Sargent and Chair of the Library Trustees Cindy Clarenbach presented the

budget for the Library. Director Sargent explained that the only fund that the Library actually generates is the Operating Grant and the request is for level funding, \$51,500.

Welfare (Page 37)

Mrs. Sharon Stephen, Welfare Director presented the Welfare budget. Manager Doyon inquired what trends or changes have been observed over the last year in public assistance, anything specific. Mrs. Stephen responded she feels it is all the same, economy is still not all that great, so many simply stay in Franklin, they lack education and the City gets to support them. She advised rents have increased, she stayed she did fairly well on fuel but suspects it was because of a late winter. She stated she is receiving call from people saying they have a \$1,400 Keyspan bill and they want the City to pay it so they can stay in their apartment. Councilor Gasset asked if we are going to operate in the red or the black this year and Mrs. Stephen responded in the red.

Planning and Zoning (Page 16)

Mr. Dick Lewis, Planning and Zoning Administrator presented his budget to the Mayor and Council. Concerning updating tax maps, he advised that the department will be going out to bid this coming year but are still using the current firm to finish up the current work. Lepene Engineering that has been used for a number of years has been sold to another engineer. Manager Doyon stated at some point he would still like the City to adopt GIS. Manager Doyon stated that possibly in a year or two the City might look at Center NH Planning but Lakes Region Planning currently has assisted in transportation projects and the ten-year plan.

City Clerk/Tax Collector (Page 12)

Mrs. Cindy Torsey, City Clerk, Tax Collector presented her budget. She advised that Travel Reimbursement went up due to the increase cost of gasoline. Code Book fees and postage were increased. Books/Publications went up, the cost of the Red Book used for calculating vehicle fees increased. She advised that residents can register their vehicle on line if they wish to at an extra fee of \$5.00 which goes to the State and also renewal by mail is available if they call and ask for it. They also offer debt card for City fees only and is at no cost to the City.

Elections (Page 12)

Voting/Counting Machines on Page 45 of the budget is listed under capital outlay for \$19,500 and is now proposed to be paid for with some of the fund balance. Mrs. Torsey explained that supervisors will not longer be able to participate in the counting of votes

after the poles close. Election workers from all 3 wards were in attendance and spoke in support of the voting/counting machines. Councilor LaFever advised that one election worker had called her and was against the purchase of the voting/counting machines and Mayor Palfrey stated the moderator in Ward I had called him and was against the purchase of the machines. These machines are approved by the State. Councilor Boyd inquired if the machines were approved when would they be in place. Mrs. Torsey advised the machines could be here by the City Election in October. Councilor Merrifield stated that if the Council does not fund the counting machines this time, the Council should all volunteer to help out in the counting of votes. Councilor Bowers commented that he did it last year and it is very time consuming and you are always concerned you will make a mistake. Councilor Feener commented this has been needed for a long time, election days are very long day and it is difficult to find volunteers. He also stated we say we are a City on the move, and the day after an election you look in the paper and there is no result for Franklin, but the small towns have the results in the paper. Councilor LaFever commented she has offered to help count at elections for the last three years and has never been called and she stated she knows of others that have volunteered and have never been called. She stated the machines will not make it error proof and her concern is this will be approximately \$20,000 and that is money the City needs somewhere else and she stated she feels the City does not have the extra money to do this right now. Councilor Starkweather stated he supports the purchase and that one machine to a ward would be a big asset. Councilor Boyd stated he supports the purchase and feels it is in the best interest of the citizens.

Tax Collector (Page 14)

No Questions.

Parks and Recreation (Page 39 & 40)

Mr. Tom Charbono, Director of Parks and Recreation presented his budget. He advised that they have moved some more things to the Revolving Fund. He advised in Professional Services they have program instructors (examples: karate, tennis) and they have been moved to the revolving fund. It is a 70/30 split with the instructor. The special events trips have also been moved to the revolving fund. \$3,500 has been deferred for Odell bleachers. The Rec Budget is up 1% (\$237,000).

Revolving Fund (Page 60)

Manager Doyon advised this is a self-supporting fund that was adopted a few years ago with the intent to be able to move concessions out of the expenditure budget. Director Charbono commented that it has worked well and Manager Doyon advised that now they will begin to move some programs into it. Director Charbono stated the goal would be to

City Council Budget Workshop Meeting

May 30, 2004

Page 7

keep building the revolving fund up so there is a substantial amount of funds in it and then make some purchases or do some good things with it. Councilor LaFever brought up the Cottage in Odell Park and the Trust Fund which has substantial money in it. The cottage needs a lot of work and she wanted to know why the City can't use some of the funds in the trust to do work on the Cottage.

Director Ouellette advised that she has read the trust and believes the City can use a percentage of the interest for maintenance only. What is in the budget now is very minimal. She did advise that the City needs to figure out the disposition of the cottage during fiscal year 2008; she advised we can't let it sit. She advised to get the money from the principle in the trust; the probate court would have to be petitioned.

Mayor Palfrey commented he thinks it would be a problem to tell what is accumulated interest and what is principle. Councilor Boyd asked if the Arch Fund and the Fund for the Cottage, are they separate and Director Ouellette stated yes, they are separate funds. Councilor Boyd asked what or who uses the cottage and Manager Doyon advised the Boy Scouts use the cottage for meetings. Councilor Boyd asked how much money is tied up in that fund for the cottage. Director Charbono stated it is around \$100,000.

Director Sullivan had suggested that perhaps the City could put someone in the cottage as a caretaker for the park but Manager Doyon stated that then puts the City in a landlord situation. Councilor Starkweather asked if there isn't some stipulation on the cottage that it was stipulated when it was donated that it was for the caretaker of the park. Director Ouellette stated she does not recall that but it could be there. Councilor Bowers asked if City Attorney Fitzgerald has been asked about these funds. Manager Doyon advised yes and the bottom line is the City would have to go to Probate Court.

Councilor Boyd asked who actually owns the cottage and Manager Doyon advised the City does. Councilor Boyd stated one suggestion might be to tear it down and if that were done what happens to the trust funds then. Councilor Feener asked if he could have copies of the trust documents. Manager Doyon stated the best thing the City can do is get a plan for the building and then look at the options. Mayor Palfrey stated he looked at the documents and then stopped because there is no financial information that you can go back on, you can go so far and then you are stumped.

Manager Doyon advised there have been some housekeeping changes made in the budget and one of them being you now find capital outlay at the end of the budget for all departments. He advised revenue increases about 4% on the City side, 2% increase in operating without the inter-fund transfers from fund balance for capital reserve deposits, the county tax and overlay so the City is looking at a 2% increase in operating. The City

amount of taxes proposed to raise is 2% over last year. Merrimack County is a 15% jump from prior year. The Manager's Wage Contingency budget and dispersed it into the departments. Merit and cost of living at 2.5%. The retirement system has made a rather significant adjustment so the City's contribution on behalf of an employee has jumped, Group I employees, 8.74% increase. There is discussion at the Legislative level to have the employees begin to start putting in a little more funds. The health insurance plan has been changed this year, we were quoted a 17.5% increase from CIGNA which was unacceptable, we negotiated it down to 12.5%, we then looked at a comparable plan from Harvard Pilgrim and the City has gone with that at a 5.1% increase. Manager Doyon stated the City has been very fortunate to keep the increase in the cost of health insurance for the employees at a 20% increase over the past four years. Manager Doyon advised the workman's comp claims continues to be reduced and he thanked Chief Clarenbach and the Joint Loss Management Committee that meets on a regular basis and to the Council for supporting training programs. Director Sullivan has been very good about doing on-site programs. Fuel costs continue to rise, and adjustments have been made in the budget accordingly.

Regarding assessing, the City is in a certification year again and the City is currently at 84% and the requirement by the State is to be at 90% - 100% so in the assessing part of the budget there is an increase to provide that service of a sales analysis and update which would take place in the fall so tax payers will see that adjustment in their December bill. Manager Doyon advised the City had a substantial return of funds from the school this past year, and we are recommending that the Council use those funds to refresh and replenish some of the capital reserve funds.

Manager Doyon advised there are two part-time positions that are being recommended to go to full-time, one is grounds custodian in Municipal Services and the part-time bookkeeper in the Finance Department.

One bond will be retiring in 2008 which is the bond for the ladder truck in the amount of \$30,000.

Mayor/Council/City Manager (Page 11)

Councilor Starkweather asked when employees retire, is the buyback on sick time does that come out of the contingency fund. Manager Doyon advised it does not, that is located in the compensated absent section that Director Ouellette will discuss, and Manager Doyon advised they are shooting for a policy change this year with that sick time buyout. Director Ouellette advised that general accounting principals say that if you accrue an expenditure that's the period in which you charge it. The way the City is using the policy is to buy out when they retire so the employee is allowed to accrue 720 hours and they are paid when they retire. The government accounting standards board and City

general accepted accounting principals says no, you have to record that expense in the year that that time is accrued and you have to fund it, if that is what your policy is.

She advised what she did is ask what is the City's calculation, how bad is this going to hit the City and then reserved fund balance to cover those costs. So if an employee were to retire this year, the amount of time they had accrued this year would be charged to this year's budget, the rest gets charged to the reserve of fund balance. Comparative cost to allow employees to accrue this time is about \$150,000 per year. She advised the alternative she would suggest is to limit the amount of sick time but pay for a disability plan. She stated effectively for the employees a maximum of 3 months off but it takes 10 years to accrue that time so the disability plan would cost approximately \$36,000 per year compared to \$150,000 and she stated she believes it is a better benefit for the employees. When the retirement system looks at what an employee is averaging, they look at the three highest year averages. Ms. Ouellette advised there is some talk of eliminating the lump sum and calculate on base salary. Ms. Ouellette advised that if this new program is selected, the employees will still get their bonus over the past 10 years with a buyout. Councilor Starkweather asked if that has been encumbered each year, and Director Ouellette advised that it has not been in the past but it is now.

Finance (Page 13)

Director Ouellette advised over all there is an increase of 7% but the large increase is the Professional Development which is her certified continuing professional education wherein it is required that she obtain 40 credits a year for her CPA License. She stated she is requesting that the part-time bookkeeper go to full-time. She advised they have extra work with the escrow funds plus when she came the City was accounting for 3 funds and there is actually 20 plus individual sub-funds. She also recommended that the Finance Department begin accounting for the City's Trust Funds. She also advised that as an example the City Clerk's Office is taking in all the City's general revenues, this policy is contributing to things being reported in incorrect years or reported in the wrong line. She stated it is not that the clerk's office doesn't do a good job but they are tax collectors not accounts receivable people. She proposes bringing all of that into the Finance Office. Mayor Palfrey stated that the administrative fee on the Trust Funds could have been charged to the Trust Funds and not come out of the general City budget.

Assessing (Page 13)

Manager Doyon advised at some point in time the City will have to advertise for a full-time assessing technician as Mrs. Deb Ryba at some point will be relocating with her husband in Massachusetts. Councilor Bowers asked if someone could be brought in before Mrs. Ryba leaves. Manager Doyon advised the City will attempt to do that but it might be very difficult. The big increase in this budget is the sales analysis and update at

\$26,000. Councilor Starkweather asked if the analysis is being done by sections of the City. Manager Doyon stated when they are doing their cycled inspection, they are doing it in sections but he advised that he could not explain how that is done but maybe by neighborhood. Manager Doyon advised it is like a rolling reval where basically the cycled inspection is to insure what information they have in the Assessing Card is current and accurate because people do add on decks and garages, etc. Councilor Gassettt inquired why the City has to keep paying the funds to keep updated, that he was under the impression that when this plan was started the charge was to keep the property updated throughout the entire City. He also asked how did the City get down to 84% of value. Councilor Gassettt asked, why are we so far behind. Manager Doyon advised the assessor can not drive the market. Manager Doyon advised that the way this is being done is the most cost effective (doing a chunk on an annual basis). Mayor Palfrey stated that he felt Councilor Gassettt made a good point, that if you look at the sales data annually, how do you get behind. Manager Doyon advised they have not done a sales analysis/update for 2 years. Councilor Merrifield asked, what is the City paying \$50,000 for. Manager Doyon responded is for having a co-assessor in the office on Tuesdays to meet with the public, answer questions and do the paper work. The assessing technician is able to answer basic questions but the tech is not certified as an assessor in the state, so if you have a complicated situation, they make an appointment with the co-assessor.

Councilor Feener advised that due to changes in the rules made by the State you have to have more current values and assessments and the assessor does not drive the market. Councilor Bowers asked how does the State know the City is only at 84% and Manager Doyon advised because they receive all the sales data. Councilor Merrifield asked what would be the implications of not doing a sales analysis/update. Director Ouellette responded that it is her understanding that DRA would come in and hire someone do the sales analysis/update and the City will pay the bill. Councilor Merrifield asked but at what point would they do that and Director Ouellette stated she does not know that answer. Councilor Feener stated it is probably better for the City to pick the assessor and control the cost than have the State come in. Councilor Starkweather stated that from what he can understand the City is paying the co-assessor \$1,000/per day, which is \$50,000/per year and assuming she had 2 weeks vacation and is only here one day a week. Manager Doyon advised it is not just the co-assessor, when they go out and do their pickup work, they have 2 or 3 other people that come in that work for Corcoran and Associates and they go out and do the inspections on site, the pickup work that is due by April 1 of each year. Councilor Starkweather then asked what is the inspection data collection for \$24,000. Manager Doyon advised that is the cycled inspection to maintain the integrity of the system data base. Councilor Starkweather then commented that the City then does a sales analysis to learn what we already know.

Data Processing (Page 14)

Manager Doyon advised everyone is pleased with the computer tech people and the proposal is to replace 10 workstations and many of them are located at the Police Department. Anti-virus and span filters on the server are needed.

Legal (Page 15)

Manager Doyon advised that the City Attorney's retainer did not change. There were no questions.

Benefits (Page 15)

Councilor Boyd asked if the life insurance is based on the salary of the employee and Director Ouellette advised no, it is \$10,000 for all employees.

Insurance (Page 20)

Manager Doyon advised that the City is in the final year of their agreement with the Municipal Association. No questions.

Equipment and Supplies (Page 20)

No Questions

Fuel Depot (Page 58)

Manager Doyon stated that if the City would ever have an opportunity to get our fuel some other way without dealing with the headache of the fuel depot, that he would make that request to the Council but nothing to-date has been found. Manager Doyon stated he suspects there will be greater compliance with the fuel tanks and how they are monitored down the road.

Director Ouellette advised that she did change some things on the budget presentation this year such as she pulled out the veterans exemptions, and the county piece from the bottom line because the City's budget is in the MS-2 and MS-4 which the City files with DRA which is the budget and those things are not included and every time a resolution is passed, the numbers have to be changed and re-file.

Revenues

Tax Cap Calculation

Manager Doyon explained the calculation. No Questions.

Revenues (Page 3)

The number \$2,479,129 for Inter-fund Operating Transfers In is to be changed to \$2,629,129.00 for FY 2008 Projected and the new total is \$6,439,000.00. Director Ouellette advised the property tax line has been removed as property taxes are not part of revenues but are a tax. Director Ouellette advised in looking at past years, the City has been lapsing monies in revenues and she would like to see the City get the revenues up where they should be and stop lapsing monies.

Inter-Fund Operating Transfers In – Enterprise Fund (Page 7)

Director Ouellette advised the only way for the City to adopt the budget for the water, sewer, fuel, etc. is to have the number in the expense line, and if you are to have the number in the expense line and not raise it in property taxes, you have to have the exact same number in the revenue and therefore this Inter-Fund Operating Transfers In section was added.

Fund Balance (Page 8)

Director Ouellette advised that the Charter does not permit a general use of fund balance, it states for a one time capital purchase and transfers to capital reserve funds unless there is a 2/3 overriding vote. She also stated that generally it is not a good practice, if you put together a really good budget, there should be no need to pull in fund balance.

Motion to adjourn made by Councilor LaFever, seconded by Councilor Feener. All in favor, meeting adjourned at 9:50 p.m.

Respectfully submitted,

Sue E. May