



Joint Finance Committee Meeting Minutes

April 13, 2022 – 5:30 p.m.

Council Chambers – City Hall

In attendance: Councilor Vince Ribas (Chair), Councilor Dzujna, Councilor Blake, Deb Brown (Co-Chair), School Board Chair Tim Dow, School Board Vice Chair Delaney Carrier

Absent: None

Others in attendance: Mayor Jo Brown, City Manager Milner, Finance Director Pessy Gaudette, Superintendent Dan LeGallo, Business Administrator Jefferson Braman and members of the public.

Councilor Ribas opened the meeting at 5:30 p.m. and led the salute to the flag.

Agenda Item I.

Consider the minutes of the October 19, 2021 Joint Finance Committee Meeting:

Motion was made by Councilor Dzujna to approve the minutes of the October 19, 2021 minutes. Seconded by Councilor Blake.

Councilor Ribas asked if there was any discussion.

There was a question about whether Councilor Bunker was in attendance or not. She was not written on the minutes as being present, however there was a motion that was seconded by her in the minutes on Agenda Item I.

City Manager Milner explained that the secretary took these minutes from a Zoom meeting that was accidentally facing everyone's feet so she may not have been sure of who was in attendance.

It was decided that the attendees listed are incorrect and the approval of these minutes should be tabled until the next meeting.

Motion was made by Councilor Dzujna to table the minutes of the October 19, 2022 minutes to get them corrected. Seconded by Councilor Blake.

5 in favor; 1 abstained; motion passes.

Agenda Item II.

FY22 Budget Status Update:

City Manager Milner stated that on the Municipal side she has frozen their budget. There hadn't been too much snow and the materials had gone up by \$12/ton.

The snow budget does look like it's right on target. There should be some funding left over to release at year end for police, fire and MSD equipment.

She is still planning on moving the impound lot to downtown this year, since they are losing every case where it is getting broken into due to the chain of evidence. The downtown space would be right near the police station with a high-resolution camera.

Finance Director Gaudette mentioned that she sent out the reports after the last City Council meeting. In looking at the reports they are pretty much on track. Overall, the budget is not looking too bad. The department heads will be working on the new budgets soon.

Business Administrator Braman stated that their budget has been pretty consistent over the past few years. He gave a deadline of the end of next week, right before April vacation, for any purchase requests needed since that is the cutoff for the end of the year.

The special education budget is at \$320,000 over budget, but he stated that he tends to do a fairly large cleanup of this budget at the end of the year. One thing that they have been hit hard with this year is homeless transportation, which is about \$60,000 over budget. They had to split the cost with the other district. Braman stated that they won't know the actual transportation costs until the invoices are received.

For the revenue side of things, Braman stated that they are around \$50,000 below the total projection. This could offset some of the potential expenses at the end of the year.

Agenda Item III.

FY23 Budget preparation Update:

Braman stated that he has all of the numbers from Milner and Gaudette and he just needs to go over them with everyone else in the school district so the budget presentations can be finalized for the May 4th City Council meeting.

There was a discussion about ESSER funds and what the plan would be after that was all used up and things were back to normal. There will be a lot of discussions that will need to happen in the next few years about how this will be dealt with. The school district had to make a lot of hard decisions before ESSER funding was available and they will need to do the same thing afterwards.

Dow let everyone know that they will bring updates on the baseline to the council as they receive them, now that things are moving forward after COVID. It will take a bit of time to catch up as far as reading and math testing. These updates will happen over a course of a couple of years and not in the presentation on May 4th, which will be budgetary and show how the ESSER funds are being used.

Milner stated that the city is working on getting the budget under the tax cap. They are still \$797,000 over the tax cap, without capital improvements in the budget, so she is working with

the department heads to get it under, which they will be able to do. They have only worked through the revenue side so far and have already found \$300,000.

The biggest focus is human capital. Staff is underpaid compared to other communities of the same size and Milner would like to implement a bigger COLA since there hasn't been a full COLA in almost 13 years. There is a Pay & Class study that will be done and Milner expects to have that back by September 30th. The last one done was in 2014 and there are still people not making what they should have made based on that study back then.

The budget presentation for the city will be ready for the May meeting, which is a month earlier than required.

Milner stated that the school district will be presenting their FY23 budget on May 4th and the municipal departments will be presenting on May 9th, 16th, and the 23rd.

Agenda Item IV.

Capital Projects Update:

Milner explained that both the municipal and school budgets eliminate capital improvements first to be able to stay under the tax cap and have been doing so for the past 20 years. These prevent things like road repairs and updating buildings, which are getting much worse with time, along with needing new vehicles. Milner stated that it is time to look at a reset of the tax cap.

In the Capital Improvements Plan Committee that is set for May 24th, they will finally be looking at how scary the plan for capital projects is looking. Maybe starting with the biggest complaint, which is roads, would be the way to go. This is an \$800,000/year project and it could be set outside of the tax cap one time. This would be a good year to do it with the tax breaks coming in to offset it. It is a discussion that needs to be had.

Milner stated that she cannot put this in her budget, as it needs to be voted on by the City Council, so all that she can do is recommend this option.

There was a discussion about the tax cap being set almost 30 years ago and was not meant to never be reviewed. Not reviewing and resetting the tax cap prevents the city from being able to make any improvements.

Agenda Item V.

ARPA Funding Discussion – City Hall Roof Repair:

ARPA funding for the city was approved in two tranches at \$454,667 each. The first tranche was already received in August of 2021 and the next is set to be received in August 2022. The City Council has put the 2021 funding into an emergency water project and has been depleted towards that. The second tranche of \$454,667 will be coming in August 2022, which is reflected in the FY23 budget.

Milner stated that when the ARPA funds were calculated it was based on the country as a whole and not NH separately, so the counties got more funding than the municipalities since other counties are typically more depleted as they tend to run the fire and police stations instead. The county is aware that they have received more than needed and they are working on coming up with a plan to help the municipalities out as well. It will probably look like a grant type of program. When the county knows the total that they will be receiving they will be able to come up with an amount to offer the 27 communities in the county. Not all of the communities will apply for this amount either.

Milner mentioned that they went over a lot at this meeting so she will have a list of potential projects for the next meeting after going over this with the Economic Development Committee.

There are also a couple of federal grants totaling over \$2 million that would be applied to outdoor recreation. There is also ARPA funding coming in to apply to police body cameras and front and back cameras in the cruisers.

The Opera House is also putting in for a grant to get sprinklers in the City Hall/Opera House building.

Dow stated that they have a trust fund that they can use, which would not have any tax effect on the City of Franklin. It is called the Toby Trust and the only rule to using it is that it has to be applied to education, which would include theater and the arts. The next step after getting support from finance would be to go to the school board with it and make a proposal to help fund the City Hall roof repair.

Jule Finley explained to Dow about this grant issue. Dan Darling also needed to do some research on how much they would be able to contribute as well. Because of this, Dow has put this on hold to make sure he has everything he needs to go forward with the grant. He does feel confident that the school board will support and approve this funding once presented.

Agenda Item VI.

Economic Tax Revenue Projects:

The school added this item looking to get updates about projects discussed with the Economic Development Committee so that they can plan out their projected revenues.

Milner asked if this could be added to the agenda for the next meeting, since she did not know exactly what the school was looking for on this and didn't have the information readily available. This was agreed on.

There was a question about the breakdown of the tax allocations between school and municipal and why the school only gets 35%, while municipal gets 65%, when other communities allocate more to the school district. There was a discussion about how Franklin's police department is servicing other communities as well, fire doesn't have enough staff for

Franklin alone and the fact that roads and other projects have been put on the back burner. If the percentage going to the school is higher, the services being provided by the city would not be possible. Franklin is the smallest city in NH, yet supplying some of the biggest services. Milner stated that she would need to see the total school budget compared with the total municipal budget before a real conversation can continue on how the taxes are allocated. She mentioned it is a conversation that needs to happen and she reminded everyone that they are all one city. The school and municipality are one and need to work together. She is willing to discuss making any changes that are needed and will help all of the departments.

Agenda Item VII.

Other Business:

It was decided that the Joint Finance Committee will meet on the 2nd Wednesday of every April and October going forward. The next meeting date will then be scheduled for October 12th, 2022 at 5:30pm.

There was no other business to discuss.

Motion to adjourn was made by School Board Chair Tim Dow and seconded by Councilor George Dzujna. All in favor.

The meeting adjourned at 7:18 p.m.

Respectfully submitted,
Lisa Jones
Executive Secretary