

CITY OF FRANKLIN
CITY COUNCIL MEETING
July 2, 2018
6:00 P.M.



The first part of the paper discusses the importance of understanding the underlying mechanisms of the observed phenomena. It is argued that a comprehensive understanding of the system requires a detailed analysis of the various factors that influence its behavior. This involves identifying the key variables and their interactions, as well as the underlying processes that govern the system's dynamics. The second part of the paper presents a series of experiments designed to test the proposed model. These experiments involve measuring the system's response to different inputs and comparing the results with the predictions of the model. The third part of the paper discusses the implications of the findings and suggests directions for future research. It is concluded that the proposed model provides a useful framework for understanding the system's behavior and that further research is needed to refine the model and explore its applications in other contexts.

The results of the experiments show that the model accurately predicts the system's behavior across a wide range of conditions. This suggests that the model captures the essential features of the system's dynamics and provides a reliable means of understanding its behavior. The findings also indicate that the system's behavior is highly sensitive to changes in the input variables, which has important implications for the design and control of the system. Future research should focus on extending the model to include more complex interactions and exploring its applications in other systems. It is also important to investigate the robustness of the model to uncertainties in the input data and the system's parameters. Overall, the paper demonstrates the value of a systematic approach to understanding complex systems and the importance of rigorous testing and validation of the proposed model.



**FRANKLIN CITY COUNCIL
AGENDA**

Council Chambers

Monday, July 2, 2018

6:00 P.M.

SALUTE TO THE FLAG

PUBLIC HEARINGS

Ordinance #01-19 – An Ordinance proposing a change to the Franklin Municipal Code, Chapter 160, Fees, 160-1 Fees to increase the Water Commodity Charge and increase in the Sewer Disposal Charge.

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.

CITY COUNCIL ACKNOWLEDGEMENT

The Mayor will recognize any Councilor who wishes to express their appreciation on behalf of the City.

MAYOR'S UPDATE

Agenda Item I.

City Council to consider the minutes of the May 9th School Budget Presentation and the June 4th City Council Meeting.

Agenda Item II.

Monthly School Board Report.

Agenda Item III.

Update from the Mayor's Drug Task Force.

Agenda Item IV.

City Council to consider approval of Ordinance #01-19, allowing an Amendment to the Franklin Municipal Code Chapter 160, Fees, 160-1 Fees Charged for FY2019 Water Commodity and Sewer Disposal Rates.

Agenda Item V.

Council to consider disposition of Deeded Property.

Agenda Item VI.

Council to consider lease of 82 Elkins Street to the Community Action Program.

Agenda Item VII.

Other Business

- 1. Committee Reports**
- 2. City Manager's Update**
- 3. Late Items**

Adjournment

The City Council of the City of Franklin reserves the right to enter into non-public session when necessary according to the provisions of RSA 91-A.

This location is accessible to the disabled by stairwell elevator. Those wishing to attend who are hearing or vision impaired may make their needs known by calling 934-3900 (voice), or through "Relay New Hampshire" 1-800-735-2964 (T.D./TRY)

CITY COUNCIL MEETING
AGENDA ITEM I



**CITY OF FRANKLIN
COUNCIL AGENDA REPORT**

July 2, 2018

Subject: Approval of Minutes

Motion: "I move that the Franklin City Council approve the minutes of the May 9th City Council Budget Workshop Meeting and the June 4th City Council Meeting."

Mayor calls for a second, discussion and the vote.



Pending City Council Approval

City Council Budget Workshop Meeting May 9, 2018

Call to Order

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

School Board in Attendance

Superintendent Dan LeGallo, Chair Tim Dow, School Business Administrator Amanda Bergquist

City Council in Attendance

Mayor Tony Giunta, Councilor Paul Trudel, Councilor George Dzujna, Councilor Jo Brown, Councilor Heather Moquin, Councilor Bob Desrochers, Councilor Olivia Zink

Absent

Councilor Steve Barton, Councilor Scott Clarenbach

Salute to the Flag was led by City Manager Judie Milner

Mayor Giunta welcomed everyone and asked the Council to move and sit in the audience seats to view the presentation slides that were set up behind the Council up on the stage.

Business Administrator Amanda Bergquist began with the Projected Revenue. She stated that the first two lines together are revenues received from the City. The 4 million at the top is from taxes and the education tax is the State portion. The next line is tuition from Hill and we're down to 71,000. I believe there's four or five students left that are still attending the high school. The Adequate Education grant, we've lost \$494,000. Part of that is made up of an \$81,700 loss mid-year this current school year. The budget was approved and then the State came in and said adequacy is going to be reduced by \$81,000. The rest of the money there is the 4% reduction and some adequacy money lost from the number of students attending the school. She continued stating that we have Medicaid distribution where we have a small loss. The indirect costs from Grants is an estimate based on the expected number of Grants. This current year, our percentage has gone down. To anticipate next year, there's another reduction in the percentage of indirect costs. She stated that she added \$100,00 conservatively. Projected Fund Balance is \$160,000. We are receiving money for kindergarten this year and a Technology Trust that's held at trustees here in the City for \$43,000. She stated that the City Council voted for an additional \$93,411. We also receive a check for the Charter Schools which a portion of the expense has to go to one on one support occupational therapists to tend to IEP children that attend the Charter School.

Bergquist continued with Food Service stating that revenues have dropped. They are coming in \$535,000 which is \$76,000 less than last year and the rest of the reduction is due to the fact that at the end of every year we have to transfer money from the General Fund over to food service to make it zero. The last three years this has been done at an average of \$60,000-\$75,000. She stated that some of the funding isn't received until after the end of the school year; August and sometimes September. She discussed Projected Grant Funds and provided a hand-out. Project Aware and the Systems of Care Grants for the 2018/2019 school year will be the last year for those grants. To date, we have not heard whether there will be other grants to fill it or if they can be extended. The other Grants that we get every year are the Title 1, The IEDA, Adult Basic Ed, and Adult Basic High School. The were

projected on the lower side, the actual dollar amount does not come in until August, sometimes May or even September. She stated that the expenses that go with the revenues from grants are not included in the budget and they're very specific. They will send it back to us with something in the grant that they will not cover. Title I and IDA are automatic. A position can be eliminated from our budget and expect to put it in the grant the next year. They won't allow that.

Superintendent Dan LeGallo presented the Budget Summary. Operating Budget is \$15,727,335 which is 2.1% increase over the current year. Grant projections are lower than what this year. Quick facts: we have about 1,021 students in our district right now. We have three schools. The elementary school has 232 students in grades 1 through 3. We have 36 preschoolers and 62 kindergartners. Kindergarten registration for next year is already at 70. The middle school has five grades 372 students. The High school has 310 students. The percentage of free reduced lunch that we serve in the District of. Paul Smith is 60-65%, Franklin Middle School is 50-59%, Franklin High School is 51% and Compass Academy is 55%. This is included on this report because we feed them lunch.

LeGallo walked through the breakdown of Enrollment by School. It has been dropping. He stated that we lost about 65 students from last year to this year. This year we cut three classroom positions in response to that. He stated that this refers to what he was talking about Monday night. Enrollment is the first thing we look at when we cut the budget. We're projecting our enrollment to be flat for next year because most of the Hill kids are gone with the exception of a handful and because we have a larger group of kindergartners coming in. He explained a pie chart that shows where the money is spent. Salaries, Benefits, and Personnel is a large portion; 72%, Purchase Services 17.6%. Supplies Food, Property, and utilities are 7.9%. Then the principal and interest on the two bonds that we're paying is 2.7%. Instruction Staff Distribution is 76% made up of teachers and support staff, Administration is 11%, Facilities including custodians is 10 % and Business Support is 3%.

LeGallo explained per pupil expenditures. Federal grants were added into these as requested, the jump in the per pupil costs can be seen. The last two years we've included the 1.6 to 1.9M worth of grants. \$12,300 is the current per pupil cost.

LeGallo reviewed the per pupil cost by school and post graduate information. We actually have a new tracking system in place with the hopes to bring this type of information to the City Council more often than we have been. The Educational Attainment of Teachers 2016 and 2017 graph shows the percentage of the staff that have master's degrees versus percent that have bachelor's degrees. Franklin has over one third of its teachers with Master's Degrees and about two thirds of the teachers with Bachelor's Degrees.

Business Administrator Amanda Bergquist reviewed the budget by function highlighting that \$5M is spent for regular education and pointed out the lines and description of each of the programs. She stated that Vocational increases for next year because of the anticipation of more children participating in it and in the afterschool programs and such as graduation and class band practice. Those teachers get a small stipend. The Athletic Program, which is all inclusive, is \$256,000. The adult education program, which includes two small grants, is \$22,000. Adult Basic Ed and Adult High School is also offered. This program helps retain some of the students so that our dropout rate is lower. She also stated that in this District, we have one social worker paid out of this budget and then we have two other social workers within the district that are covered under the Aware Grant. The Guidance Service \$486,000. There is also the nurses and psychological services costing \$336,000 and part of that money is an outside service for psychological.

Bergquist continued stating there's a grant that covers speech services and hearing services. The improvement of instructional devices which are for required IEP's (hearing devices). Salary is included in the budget to show sustainability. A lot of the grants asked for that and we don't typically provide it because it's just not available for the budget. Then there's also a small portion of that that's part of conferences and workshops. The school library and technology from supplies to replacement computers and the technical service licensing that we have to pay for which and all of these costs are \$255,000. The Office of the Superintendent is \$330,000. The Principal's and Admin services plus a small portion for graduation combined cost is \$819,000. Business services is \$303,000. All the #2600 accounts amount to \$1,276,000 which includes accounts to cover the expenses for operating of the buildings such as the facilities manager, the custodians, water, heat, property insurance, Natural Gas, Electric, and anything that breaks is in this area. Also included in this are all the supplies for paper products for the bathrooms like toilet paper.

Bergquist further explained Services, which is transportation, and this includes the buses, the fuel for the buses, the few vehicles that the district owns, registration, and tire replacement combined costs of \$740,000. The IT director and an assistant is \$141,311 (salaries and benefits). Unused sick days and HFFA, and DCAF fees, and FFA fees combined costs are \$9,375. Debt Services costs \$409,000. Food Services is \$598,800. She stated that this brings us to a total budget of \$15,272,000. Anticipated revenues are \$14,282,900.

Superintendent Dan LeGallo explained the last slide showing the notice of layoffs. Notifications will begin tomorrow. This is required by law to do so by May 11.

Mayor Giunta stated a pet peeve of his for the last 18 years going back when he was mayor in the year 2000, the Special Education Program costing nearly \$3M. Special programs are needed for sure but 40% of that number is supposed to be reimbursed by the federal government if the federal government mandates that we satisfy that program. We are out of control with that program. Not out of control spending wise. We have no control of it. He stated that other people decide the fate when it comes to those monies spent. Mayor Giunta stated that it frustrates him that we don't get reimbursed for it and yet we are forced to do it. He asked School Board Chair Tim Dow to share some of the higher cost programs and if you have any ideas and a roundabout figure of how much we're getting back. He believes it's around only 15%. Chair Dow stated that it's about 16-17% and the State is getting reimbursed around 21%. Mayor Giunta stated that it is very frustrating because if we got reimbursed, we probably wouldn't even be talking about a shortfall this year. Dow responded that this has been an ongoing issue with the Special Education reimbursement with the federal government.

Dow continued stating that the original special education program budgets started was over \$3M between the Administration and School Board. The School cut approximately \$177,500 out of Special Education in hopes that we don't get hit in and additional special education needs. This is very uncomfortable to do because it is unpredictable and expensive to plan for. Dow continued stating that we are mandated by federal and state law to fulfill this. The budget for Special Education has no room for error. If someone from our district comes in just needing an ear piece as part of their education, we are required cover it.

Dow continued that it can seriously impact our special education line item to the point we'll probably have to go back to the City. Dan LeGallo stated that out of district placements can range up to \$80,000 to over \$300,000. We spent \$800,300 on out of district placements. When we talk about trying to bring kids back to the district, we can do a better job here with resources we have here. We always looked to do this.

Mayor Giunta stated that he will personally place a phone call to the Governor because we just got a federal budget passed for \$1.3 trillion dollars for stuff that you wouldn't believe was in that budget. It is ridiculous. And they still can't reimburse for what is everybody is being forced to do.

Chair Dow stated that he and Superintendent LeGallo attended several hearings in Concord during the last month and one of the things that was said the other night was the fact of going down there and speaking into legislation about state adequacy funding. This problem isn't going to change anytime soon. He stated that he was told that the money that comes from the state is what you get. Stabilization is dropping at 4% a year and there is no way to control that. Legislation has a Bill to look at how Adequacy is being figured but it's not going anywhere this year. Over the next 25 years, stabilization goes away and the City has to pick up the cost.

Chair Dow stated that Claremont III will need to happen. It must be the City to initiate the lawsuit. There is going to be a forum in Pittsfield discuss this. There are other school districts dealing with this same issue.

Chair Dow stated that a lot of time is spent in meetings for himself and the Superintendent LeGallo. Both attended approximately 145 meetings this year to deal with these issues. He stated that 18.5 positions have been eliminated in the last 2 years. We need to look at the allocation of money to the City. This is a practice that continues with the City Managers and the City Council both past and present it needs to be changed. We cannot continue with a 66/34 split. He stated that previous City Manager Elizabeth Dragon gave over \$900,000 to help offset the cost of the budget. The split had been about us 62/38 split. Dow requested \$15,272,000 from the City. The teachers, students, and citizens of this City deserve it. He stated in the five years on the school board, he hasn't heard any one of the City Council say this should be looked at. Next year, the school is getting \$4M from the taxpayers but the City portion is \$7.6M. He stated that taxes should be equally split. Dow requested a 4% increase per year for 5 years bringing it to 54/46. He expressed deep concern to bring the split closer to an equal split.

Dow believes that an efficiency study should be done on both sides. But the cost of this is going to be upwards of \$250,000 and we can't afford that right now. He asked the City to look at some of these things we need to do to fund a school budget that the citizens and the children of Franklin deserve. He asked to give that \$250,000 to the school until we are in a better situation. It's going to hurt. It's going to mean cuts for the City and override the tax cap. He stated that there's nothing guaranteed that spending \$250,000 right now will give us anything in return and he does not support it at this time. There's no more to cut or fluff in the budget.

Councilor George Dzujna stated that both the School Board and City Council need to be on board with the survey or it will be like just throwing money away.

Councilor Desrochers stated that if there is some publicity shown on what is going on here down in Concord that is what is needed. Mayor Giunta stated that Franklin pays more in Adequacy funding than the State does.

City Manager Judie Milner stated that we can't tax citizens more than we already do. The School and the County get to utilize their whole portion of the tax pie even though we haven't collected it all. The cost of City calls for service increases each year. It's not the fault of the City that the State isn't providing their share. Disparity changed to Stabilization which eventually goes away. This was done in

a sneaky way through the budget, attaching it to a different Bill. At the same time, they changed the look back on enrollment. The City is looking at the Adequacy piece. Download the Equalized Value Per Student from the DOE website, you will clearly see the Claremont people. She stated that it can be a five-year process, so we need to start now. Should we also review the look back to so that you don't lose adequacy mid-year. Milner asked what the priority is. The intent of Claremont II was to show the Disparity piece.

Milner shared a couple of solutions. 1. Ship our children to another school where they don't become part of that school district and 2. Regionalize and become part of that school district. The cost per student on the DOE website, from larger districts, is around \$10,000-12,000. According to The DOE, ours is \$13,000. And even smaller districts are higher.

Chair Dow stated that none of the TIFF money returns back into the school or the City but Milner further explained that the TIFF investment is bringing in a \$20M project that will give us \$500,000 in revenue. Dow asked Milner, of the \$14M, what is the City keeping from the taxpayers of Franklin? Milner referred to page 59 of the budget. \$7.6M supports the operations of the City. Milner also stated that the Adequacy sheet she handed out has a lot of great information on it. The school tax dollars before Claremont II (in 1998 before Claremont) the school district allocation was \$8.9M. Twenty years later of Claremont II, \$4M Disparity is lost and we're back to where we were.

Milner stated that she understands that there's a decrease in enrollment however costs have increased and we need to do something about Adequacy now. We won't feel it for years but she strongly feels and would love to support it and be a part of something stronger than the Legislature.

Chair Dow reviewed the final numbers of taxpayer's dollars from the City of Franklin, stating that school is receiving \$5,200,000 and the City is receiving \$2M over that.

Mayor Giunta commented that even with a 50/50 split, it doesn't last long. He then asked Judy to put together a budget and present to the Council what that would look like. He wants to see the cuts, firefighters, Police and Municipal Services cuts. We don't have to break the cap to look at the effects of a 50/50 split.

Chair Dow then asked to look at a 4% increase this year and then 2% each year for the next four years and do this incrementally. Mayor Giunta stated that once we do the 50/50 split, will it take care of the problem. Dow responded and stated that it would help. Mayor Giunta stated that it would have to take care of the problem and if we just look at the \$500,000 and not the whole 50/50, we're still in catastrophic mode.

Councilor Zink asked several questions on how to bring the gap in closer and wanted to look at actual revenue wondering why a few were still blank. She also asked Business Administrator Amanda Bergquist to review the variance of the Adequacy funding and wondered if it had to do with the proposed budget. Zink also inquired on the Custodial Services at \$1.2M and has the school looked at privatizing those services. Bergquist responded that they are looking into this.

City Manager Milner requested the expenditures and revenue of Food Service. Depending on that number, that number needs to be added to the \$759,000 shortfall if we are taking Food Service into the General Fund.

Councilor Desrochers stated that a 50/50 split isn't going to correct this problem. It might look good on paper. But we'll find ourselves right back in the same place.

Councilor Moquin stated that these issues repeat year after year and that City Manager Milner is making suggestions and we're talking about making long term solutions. If we did this one-time fix, it buys us time and shows good faith between the Council, the School, and the Community. No matter what we do, the message must be clear and transparent. We can't just do this one-time fix. More needs to be done such as the Economic development the Whitewater Park. All the things we've been talking about.

Councilor Jo Brown directed a question to Chair Dow wondering if the property taxes are the same in the other tax cap communities. She wondered if this is contributing to the Disparity. If you're comparing Bedford to Franklin that's one thing but if you comparing Pittsfield to Franklin, that is another. I wonder if we're comparing apples to apples when we compare the tax cap.

Mayor Giunta stated that the amount of money to comes back from the State. At the end of Claremont II, Franklin was a bonus recipient of all kinds of cash. Based on that, and what the schools needed to run the allocation of more tax dollars locally, could go to municipal services. As that diminished, Disparity looks frustrating to us today but it wasn't 8-10 years ago.

Chair Dow explained that Berlin's tax cap is \$39.19. They give \$17.88 to Municipality and \$14.91 to Schools. That's a difference of \$2.91. Dover has a tax rate of \$25.87. Municipality gets \$9.96 and Schools get \$10.91. Most communities are paying \$2.34-\$2.65 on Education tax.

City Manager Milner stated the difference in the other communities is the Disparity. That is going away. Franklin received the largest adequacy grant of the State of NH. After Claremont II, were at \$8M right after Claremont II. The other places being compared to us are more like \$4M. We receive an extra \$4M from the adequacy grant so we didn't need to put in so much more at the community level. Why it's so painful now is because Stabilization is now called, they're no longer recognizing Disparity which is again, against the Claremont II decision and that Stabilization is going away from the state of New Hampshire. That's why we're starting to feel the pain. But when we compare to other communities like that, we have to take into account, the Claremont II. It's part of the reason why the rate is what it is.

Councilor Brown asked how raises were negotiated with the union. Chair Dow replied that it was done on revenue that they knew was coming in through Kindergarten and other areas of revenue that we knew were coming in. She also commented on why the School doesn't consider consolidation of the Finance Office. She also commented on how the Director of Municipal Services is down four people and you've got students that could go through a work study program that could work cooperatively with his area to get credits. If the State is going to deny us the funds that we need, then it is incumbent upon us to figure out a better, more effective way to educate our kids. In a City like ours where every single person needs to pull their own weight, why can't we work together through the financial committee where the school can provide manpower and expertise and our City can benefit from what you're teaching your kids. Why can't we put together some kids to put together some kind of a program as a lot of charities do, that help repair the homes of our aging or keep them off the tax deed rolls, that can help them take care of their property when they are not able to. A small business can be set up in one of these open fronts here. Brown expressed that this is the kind of forward thinking I think that we need to be doing as a community.

Mayor Giunta addressed Councilor Brown's discussion as passionate and requested that she Chair a special Mayoral Committee and look at making some changes to education. Mayor Giunta asked Tim Dow if he would be Co-Chair. Tim agreed. Mayor Giunta also would like someone from DOE and looks forward to hearing more from the public on this. He thought some of these changes were going to start happening a year ago but hasn't seen anything yet. We have to break the mold.

Councilor Zink expressed concern for tomorrow seeing possible pink slips and asked to review the actual gap. City Manager Milner reviewed the numbers and arrived at \$822,304.

School Chair Tim Dow concluded on behalf of the School Board, he thanked everyone for their time tonight for listening and working together on a solution. Mayor Giunta thanked Chair Dow and Business Administrator Bergquist and the entire School Board for their hard work.

Councilor Ribas stated that we are basically looking at \$145,000 less in the gap and was thinking of what that might work out to be in positions. He stated that at this point, we can't guarantee anything more and will need to RIF based on that number. He also asked if the June 13th Budget Workshop meeting could be moved so folks can attend the Adequacy meeting in Pittsfield.

**Motion to adjourn made by Councilor Desrochers.
Seconded by Councilor Trudel.**

All in favor. Motion passed.

Meeting adjourned at 8:332 PM

Respectfully Submitted,

Audrey Lanzillo



Pending Council Approval

City Council Meeting Minutes June 4, 2018

Call to order

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

City Council in Attendance:

Councilor Scott Clarenbach, Councilor Jo Brown, Councilor Vincent Ribas, Councilor Steve Barton, Councilor Robert Desrochers, Councilor Paul Trudel, Councilor Heather Moquin, Councilor George Dzujna, Councilor Oliva Zink.

Others in Attendance:

City Manager Judie Milner

Salute to the Flag was led by Councilor Steve Barton

Mayor's Comments

Mayor Giunta presented a Proclamation in Honor of Constance Stanley to her for her dedication to teaching children and helping families since 1970 at the Franklin Head Start organization. She has improved the health, development, and wellbeing of over 900 children in our community. Through home visits and parenting involvement, Connie has become the face and pillar of Head Start for 47 years. She leaves a legacy of love, kindness, and steadfast commitment to children and their families. Today, June 4th, 2018 is proclaimed as Constance Stanley Day in the City of Franklin. The City of Franklin extends best wishes to Connie and her proud family. Applause from all to Connie!

Public Comments

Al Warner, Ward 3 resident stated that he is a resident of Franklin by choice. He thanked the Mayor, the City Council, and City Manager Judie Milner for the opportunity to speak freely tonight and thanked NH State Representative Dave Testerman for the open discussion they had together recently. Mr. Warner also wanted to thank Mr. Horn for his time. He stated that it is in his opinion that the NH General Court Legislature stand in contempt. Not just in the Supreme Court ruling but in contempt of every voter in this State. It's the collective actions of the Legislature that leaves them in contempt. A lot of people are talking about a Claremont III. It's just sad we must do this again since this has been addressed twice already. He offered suggestions to address this at the ballot box. Replacement of the Legislature may be the way to go. It's not just us dealing with this. Claremont, Pittsfield and other communities are facing these same problems. Mr. Warner stated that \$3,600 per student is far from adequate education. He concluded thanking everyone for their time and stated that he has great respect for all involved in this incredibly important issue.

Carrie Savary, Ward 1 resident served on the PTA and expressed concern for her two school aged children. She has experienced the highs and lows of the Franklin School System but has never witnessed the struggles we are facing today. She asked the Council how the School and City will solve our financial crisis and through it all, fail to take notice of our greatest resource, our children. She stated that her daughter is not going to attend the high school because she wants her child to have opportunities that will no longer be available for her. Despite the school staff to remedy, many families are choosing an alternative and other families are leaving Franklin altogether so their children can be part of a better school district. She stated that there are currently more than a dozen students whose parents are looking for a better school system. Though this is sad, she mentioned a sliver of inspiration is seen in the parents who are choosing to make their child's education a priority and although they may have lived here for many years, they are sacrificing what they love for their children's education. Parents are suffering financially and emotionally just to send their children, their greatest assets, to a better place. She addressed the Council asking what they value most. She stated that doing the right thing often hurts or comes with consequences and asked the council to search and find ways to help the citizens so they won't move away or seek other schools. Many of these good people won't be here to volunteer for the PTA, coach sports, or teach theatre and in the end, we are all going to suffer for it. She asked the Council to come together with the school and find a solution because this can't go on any longer. We want to be known for having good schools and we can't wait any longer.

Werner Horn, Ward 2 resident stated that he graduated from Franklin in 1994 and since then has seen a loss of the top 20% of Franklin graduates not returning to Franklin. He stated how frustrating it is and that Franklin can't continue to lose this kind of talent from our community. Currently, the students aren't even waiting until they graduate to leave. They are leaving even before graduation day because of the current situation we are in. WMUR aired an inspiring piece a couple of weeks ago covering the district-wide musical and now we hear the bad press regarding our budget issues. People are at the end of their ropes. All the hard work being done behind closed doors during meetings etc. isn't paying off. Mr. Horn stated that we aren't seeing results, only continued loss of talented staff. He stressed that we don't want to be known as a City with a terrible school system. If it takes an additional tax bill, which is in the control of the City Council and will help the school to make it to the next budget cycle, then it needs to be done. He addressed the Council stating that these decisions are their responsibility to advocate for Franklin and it shouldn't be an option. Everyone in this community will suffer because we won't have quality people in it. We won't have Coaches, PTA members, people who will run for the School Board or people who will want to run for City Council. He stated that he's afraid we are already there and hopes that the Council will study the numbers and figure out the least painful course and if that means passing another tax bill, then do it. Future generations will forgive the City Council.

Leanna Fisher, Ward 3 resident and parent stated she has 4 children in this district and all are enrolled throughout our school system. One child participates in Band. She wanted the Council know that the Band class wanted to come forward and state their passion for what they love. They are sad to learn of the music cuts. She stated she is also looking to take her children elsewhere. She proclaimed that isn't afraid to pay more taxes and do whatever it takes for her kids to have the education they need. At this

point, two of her children are ahead educationally as they were home schooled and there isn't much to offer through public education here. Her children love music and are not athletically inclined. Her daughter is bussed to Winnisquam to take a computer course because there isn't a computer class at the High School. She has lived in Franklin for 15 years and her kids love it here. Her kids want to stay, want a better education, are passionate about music and at this point, she is planning to leave Franklin and take her children where they can receive more. She stated that her daughter has a neurological disorder and music is her medicine. It has brought out leadership in her. Her daughter was afraid her voice would not be heard tonight. Teachers and families are being driven away and we need to find another way.

Leanne Fifield, Ward 2 resident asked two questions for the Council. 1) By show of hands, how many of you, right now, have children in the Franklin School District? – No show of hands. 2) Out of all of you, how many feel that the funding is a crisis in this City – All raised their hands. Leanne stated that it is time to do something and there are so many people leaving this City. She stated that it can't keep happening because there will be nothing left to grow from. She concluded by stated that she is willing to pay more taxes. It's time to cut other departments and stop cutting the school.

Steve Bunker, Ward 3 resident since 2004 stated that he grew up in Lawrence MA and came here about 32 years ago because his parents wanted a better education for him and his sister. He mentioned hearing a lot about the Downtown improvements and all the great businesses, but that won't bring people here. He experienced watching businesses be built up in Lawrence MA but that didn't help Lawrence. He expressed the need to have a good school system in order to attract and keep good people in Franklin. Mr. Bunker asked Councilor Dzujna if he knew of a particular community involved family and said they left Franklin because they were tired of waiting for Franklin to turn around. Mr. Bunker stated that when he tells people that he lives in Franklin, they find it hard to believe. Since he moved here in 2004, he stated that Franklin is not improving, it's getting worse. He commended the teachers for wanting to stay here but if he were a teacher, he would have his resume out to every school district in the State because no-one is guaranteed a job. He also stated that he knows of many families who are considering sending their children elsewhere to be educated and he is considering it as well. Mr. Bunker stated that he wants his kids to have a fair shot at a good education and right now, that's just not happening. He stated that he didn't want to put the City Council Board Members on the spot, but he asked for a show of hands to show agreement that the children are not getting a good education. A few councilors raised their hands, but most did not. Mr. Bunker commented and stated that there are some Councilors that believe the children are getting a good education.

Councilor Desrochers commented to Mr. Bunkers statements mentioning that he had three children that went to the Franklin School System, one went on to college to receive a PHD on a full scholarship, his other son graduated Franklin High School in 1992 and went on to work at Webster Valve due to an Industrial Arts program. His other son was having a lot of trouble in Math when he was in 5th grade. At that time, Desrochers stated that he went to the Council back then and told them that we have a problem. Since that time, the past Superintendent of Schools gutted the school system. There were no more industrial arts, no electrical, no drafting, no home economics but we had one fine Superintendent's office. Classes now are geared for college prep thinking all children will go to college

but not all children go to college and if they did, who will do the wiring, build computer parts, do the plumbing, or dig the ditches. He stated that for the past three years since he's been a Councilor, people have been coming to the Council meetings and blaming the City Council. It's the School Boards responsibility to run the schools and for the last 20 years have been gutting the school system. Auto mechanics class isn't taught anymore nor are any classes taught that helps kids get a job or keep them interested other than going to college. Desrochers stated that he walked into his son's English class twenty years ago and witnessed three other students walk in and just go to sleep at their desks and the teacher said nothing. It is not ok for a teacher to give up on any kid. He stated that some teachers don't bother with "at risk" kids. And every year people come to these meetings and criticize City Council that they don't provide money. Every year, the School Board asked for 1 Million dollars. If we gave a million dollars this year, what happens next year. More must be said than just give us the money. Desrochers stated that over the last 6 years, the City Council presented ideas to the School Board to consolidate the Finance Office. He stated that it's costing us \$70,000 a year and the answer every year is, no. The last six years costs \$70,000 per year equaling \$420,000 in potential cost savings. Desrochers continued stating that it can't be business as usual anymore and it has to stop. The City made staff cuts and cut hours at the Library and the Transfer Station. He also mentioned that it's still business as usual for the School Board but he noted that this School Board had a lot dumped on them that wasn't their doing. Now they're stuck with it and he stated that he sincerely feels sorry for them.

Steve Bunker continued with his public comments stating that you can't build a house without a hammer and nails and asked Councilor Desrochers if he agrees. Councilor Desrochers agreed and then asked Mr. Bunker where the money was going to come from. Mr. Bunker continued to ask the Council to break the tax cap. Desrochers then stated that the Per Capita income in Franklin is \$21,270.

Mayor Giunta informed Mr. Bunker that this time is Public Comment and is not for back and forth and to listen to the Councilor. Mr. Bunker stated that Councilor Desrochers interrupted him. There was a man in the audience who began yelling out and Mayor Giunta asked the man yelling to please be quiet and asked then eventually asked the man to leave the Council Chambers. Mr. Bunker continued to comment stated that he wasn't done speaking. Mayor Giunta stated that Mr. Bunker was asking the Council direct questions and Councilor Desrochers was answering his questions. Mr. Bunker repeatedly asked the Mayor to calm down and the Mayor responded to Mr. Bunker stating that he is not the one that needs to calm down. Mr. Bunker continued to tell the Mayor to calm down. The Mayor then told Mr. Bunker that his time for Public Comment was over. Mr. Bunker stated that he was not done. Police Chief, David Goldstein then provided assistance and returned adherence in the Council Chambers. Mr. Bunker concluded asking when this subject can be debated again. Chief Goldstein continued to ask Mr. Bunker to kindly step away from the podium at which he soon respectfully complied.

Mayor Giunta stated that public comments are to be kept to 30 minutes at 3 minutes per person and it was now time to close public commentary.

Councilor Clarenbach commented to this close of public commentary time stating that Councilor Desrochers had used up more than 3 minutes of public time and requested to allow the public more

time and re-open the public commentary time again. Mayor Giunta then asked the Council if they would like to hear more public comment and they were all in agreement to allow it.

Tim Moquin, Ward 1 stated that the School Board should not cut their budget next time. He advised the School Board to present the full budget next time and keep the money where it needs to be to educate this City. He stated that everyone here knows that the only way for the City and Schools to grow is by means of diversity in all the departments and the only way to get there is through the education of our children. He concluded by stating that Grant writers and Grants need to be pursued as well to help resolve these issues.

Councilor Desrochers explained again that the Per Capita income is \$21,270. He would like to know how residents will be able to pay any additional taxes. He also recalled that in a previous meeting, a woman sitting in the front row was crying because she couldn't afford higher taxes. Desrochers also commented that there are approximately 60 houses under review every year because they can't pay their current tax bill. There are a few people here that stated they can afford higher taxes but a lot of other people in Franklin can't afford to pay more taxes. 20-30% of residents are currently receiving some kind of assistance or disability income. He wants to know where those residents will find the money to pay more taxes. We will have empty buildings if we even begin to raise rents. Desrochers stating that our current issues have been going on for a very long time. He lived here for 60 years and remembers the City's vibrancy and watched its' struggles grow. It's not the fault of the City or the current School Board. It's been dumped on them and dumped on the City. He asked the public to provide suggestions and ideas to help fix our current problems and to stop blaming the Council and the School Board. He concluded by stating that the Council is trying to help fix the problems but if the taxes are raised, there will be an exodus here like never seen before. Blaming the City Council and pointing fingers at the School Board every budget season complaining about what we don't have isn't helping. We're all trying to get back what was lost and will be better resolved through constructive idea sharing.

Councilor Moquin began stating that no-one is blaming the City Council or the School Board but what we will be blamed for is for not taking action now. Failure to fund the schools is going to further perpetuate the cycle of poverty that continues on and on. Whether we raise taxes or cut other departments it hurts either way, but we can't keep doing the same thing over and over. She agrees with the people that spoke tonight about families who are thinking of leaving because we have a very sick community. We must attract good families to have a healthy community and it can't be done without funding the schools.

Mayor Giunta addressed the audience by stating that those who capitalized on him speaking loudly earlier, that they way to get under his skin is by not defending this City. When people say negative things about this City, they are saying it about every one of its residents. The Mayor shared that he is out there on a daily basis to get people to take a second look at this City. There are positive things happening downtown and if anyone wants to take the steam out of that engine, continued negative comments and not trying to turn opinions around will destroy the good. He also stated that every single dime that the City had at the end of the budget season, has gone to the school systems. He further stated that it's upsetting when people speak to the Council and say the City is not funding the school system, it is an

incorrect statement. People need to start defending their City and their schools. He added that our school system is not alone in this struggle and our community is going way above and beyond to try to address the issues. The Mayor stated that when people stand to address the Council and go down the line and ask for hands, individually and as a Council, it's embarrassing and won't be tolerated. He apologized for the theatrics tonight but if any one of the attendees this evening cares deeply for their children and this City, then start standing up for it and the sacrifices that this Council made for the last several years. The Mayor thanked everyone for attending tonight and showing their interest and concern just as the City Council is.

Public Comment closed at 6:46 PM.

Legislative Comments

None

City Council Acknowledgement

Councilor Dzujna acknowledged the Tilton student who came to Franklin and cleaned the concession stand and scraped out the dugouts at Odell Park. They go out and help neighboring communities once a year. They worked very hard and did a great job!

Councilor Moquin acknowledged Jack Finley, who is a talented educator and who will be leaving our school district. He started as Franklin High School English Teacher and has worked in the Franklin school system since 1999. She shared that Mr. Finley has been a huge part of our community; he coordinated the emergency preparedness in the school system, mentored children and teachers alike, and also part of our theatre group. He will be greatly missed.

Mayor's Update

Regarding Senate Bill 446 in another attempt to raise revenues for our City and move over to the School side as we always do, the Mayor stated he's been very active trying to get our Solar Projects moving forward. Progress is being made increasing net metered solar from 1 megawatt to 5 megawatts. This allows the City to build larger projects and receive more lease value. He stated that the Bill is currently sitting on the Governor's desk and waiting for his signature.

Agenda Item I

City Council to consider approval of the April 24, 2018 City Council Special Meeting and the May 7, 2018 City Council Meeting.

Motion made by Councilor Ribas; approved with Amendments provided.

Seconded by Councilor Dzujna.

All in favor. Motion passed.

Agenda Item II

The Superintendent, Dan Legallo provided the Monthly School Board update. Mr. Legallo started with sad news of Ralph Downs, the maintenance director, had passed away at the age of 46 losing his battle with Cancer. Mr. Legallo requested a moment of silence for Mr. Downs.

Mr. Legallo stated that we currently have 79 Incoming kindergarten students; an increase of what we currently have. He will be speaking to the School Board about adding another kindergarten teacher to the staff. The Commissioner found a \$1.2M mistake statewide in the Adequacy Funding. This was due to 3rd grade reading level which amounts to \$6,270. Mr. Kevin Barbour, the Middle School Principal, is retiring the end of this year. Mr. Barbour has over 20 years in the school system between the Bessie Rowell and Franklin Middle School.

Mr. Legallo stated that he and School Board Chair Tim Dow will be meeting with attorney John Tobin regarding the lawsuit on the 13th. He added that the School Board has approved Mr. Legallo to work with City Manager, Judie Milner and the City Council on anything relating to the lawsuit. He will be attending the meeting on Pittsfield.

Legallo notified the Council that there were a few plumbing issues at the high school. Rowell Plumbing mitigated the damage of approximately \$4,000. and a couple of steam tables at the Middle School are malfunctioning. He received an estimate of \$5,900 to repair those. He stated that he is trying to keep costs down and that sometimes unplanned things pop up that absolutely must be done. The dishwasher on its last leg and there is a lawnmower problem as well.

Legallo shared good news on the Energy Project. There was enough money to replace both boilers at Paul Smith and the first rebate of \$97,000 for electricity was received.

Mr. Legallo concluded stating that the High School Graduation is June 15th at 6:00PM at the High School and all are invited.

Councilor Dzujna asked Mr. Legallo what time the Pittsfield meeting begins. Mr. Legallo responded stating the start time is 6:00PM.

Mayor Giunta wondered how much it would cost if we were to go into a Claremont III situation. Mr. Legallo responded that he has been speaking with the school attorney and the attorney's thoughts will cost about \$.5M for a Claremont III lawsuit. The idea was to get all 46-50 districts together and pay a share based on the number of kids they have. If a scenario like this plays out, we are looking at a cost to us of about \$8,000 in legal fees to participate in the lawsuit. Mr. Legallo stated that the attorney he is meeting with tomorrow is connected to Andru Volinsky, who worked on the previous Claremont lawsuits. Mr. Legallo stated that he will update the Council after his meeting with the attorney.

Mayor Giunta stated that Claremont II was so successful because there was no cost to the school districts and he asked the Superintendent to keep an eye on what that fee might be. The Mayor also cautioned that it's a completely different Supreme Court now and unsure if the new Supreme Court knows that the word "Cherish" which means the State picks up the bill. It's a very precarious situation.

Agenda Item III

Kayla Bertolino presented an update on the Mayor's Drug and Alcohol Task Force. Kayla provided some background history on the Coalition and provided a hand out called "About Us". She reviewed the details of what the Coalition is starting with her salary, which is paid through a grant and she is excited about being able to do what she loves every day. The vision of the Coalition is to have a healthy, vibrant, substance free community that supports the development of our youth to become strong, engaged, healthy adults. She stated that the City of Franklin provides staff support and fiscal management to the Task Force Coalition. In 2009, the Task Force began as an initiative of former Mayor, Ken Merrifield. She stated that the Task Force was awarded their first Grant, Drug Free Community (DFC) Grant. The second was awarded in 2015 which provides funding until 2019. Kayla explained the different campaigns: Sticker Shock, Pizza Box Messaging, a Drug Drop Box located at the police station, Franklin Youth Initiative, held multiple lunch and learn events, ambassador training, partnered with the High School on Life of an Athlete program, and also partnered with The Juvenile Diversion Program.

Kayla shared that PBS came in and filmed a Roads to Recovery segment which is due to air this fall. She also stated that the Task Force worked with Chris Kontoes and created a Social Media Video campaign. There were many other prevention and partnership events. She concluded saying how proud she is of their Coalition, the amazing leadership team, and the volunteers. She passed around a sign-up sheet to learn more about the Coalition.

Mayor Giunta stated that he and several Councilors attended the Race for Recovery event over the weekend and it was an amazing day.

Agenda Item IV

City Council to consider the lease renewal of the Central New Hampshire Amateur Radio Club.

Motion: Councilor Desrochers moved that the City Council to approve the Non-Exclusive Lease for a one-year period beginning on July 1, 2018 and ending on June 30, 2019 with the Central New Hampshire Amateur Radio Club and authorize the City Manager to execute said lease.

Motion Seconded by Councilor Ribas.

Mayor Giunta asked if there's any discussion with regards to the motion. Councilor Dzujna commented on corrections needed on page 2 of the lease agreement. The insurance amounts are shown numerically incorrect and will need to be corrected. Councilor Ribas requested clarification on the meaning of page 3, line #15. Maybe there was some agreement at that time and the meaning there may not apply any longer so we should find out what that was. With the few edits requested that will be ironed out, the Council agrees that once the corrections are made, it can be approved and be signed off by the City Manager.

No further discussion.

All in Favor. Motion Carries.

Agenda Item V

City Council to consider acceptance of the NH Hazard Mitigation Grant Program (HMGP).

Motion: Councilor Desrochers moved that the City Council accept the terms of the NH HSEM Hazard Mitigation Grant Program (HMGP) as presented in the amount of \$7,500 for the Local Hazard Mitigation Plan Update. Furthermore, the City Council acknowledges that the total cost of this project is \$10,000, in which the City will be responsible for a 25% match (soft match). Finally, the Council authorizes the City Manager to sign the associated documents on the City's behalf.

Motion Seconded by Councilor Trudel.

Mayor Giunta asked for any discussion. Councilor Clarenbach stated that this is actually a hard match if we have to come up \$2,500 in cash. Fire Chief Kevin Lachapelle stated that the \$10,000 includes the soft match amount.

Councilor Zink asked the Chief Lachapelle what type of hazardous waste material will be mitigated and what the personal risk is. Chief Lachapelle explained that the grant is for City-wide planning not handling of hazardous materials, however, there is a hazardous materials component in the plan to measure risk within our community. This also measures risks of our bridges, roads, forest fires, building fires, and anything that can impede on the safety of our community. The Hazardous Mitigation Program outlines the funding for the project at Rite Aid. The Plan needs to be updated every 5 years or we are not eligible for any federal funding. He stated that this is not specifically for one particular hazard.

Mayor Giunta asked for further discussion. There was none.

All in Favor. Motion passed.

Agenda Item VI

Other Business

1. Committee Reports – No updates at this time.
2. City Manager's Update - City Manager, Judie Milner shared that there was no Contingent Grant Line Activity for this month to report. The Mayor and City Manager attended the EMS Lakes Region Awards Banquet on May 20th and were honored to witness Fire Chief Kevin Lachapelle, receive the prestigious EMS Lifetime Achievement Award. Congratulations Fire Chief Lachapelle! The Finance Director interviews were held and one candidate stood out and was offered the position. Milner stated that the candidate wasn't able to make the numbers work and had declined the offer. We will be going back out for another round of interviews. Councilor Dzujna and Milner attended the SEC Eversource appeal hearing on May 24th. The SEC denied the appeal so Eversource is filing an appeal with the NH Supreme Court. The Pittsfield forum is being held on June 13th to discuss adequate education funding. Milner and several Councilors are interested in attending this forum in Pittsfield

so Milner asked the Council to consider moving the June 13 City Council Budget Workshop to June 14th instead. The Council members agreed to move the Budget Workshop to June 14th so there's a good turnout at the Pittsfield meeting. The City Manager provided an update regarding "Changing Franklin's Image one step at a time" – through the Federal Agency Forum scheduled for June 12th. Milner stated that the Mayor organized several Federal Agencies to come to Franklin to present their programs and match needs from our local and surrounding community's projects, non-profits, and municipalities. PermaCity Life, Mill City Park, Neil Cannon, Planning and Zoning Director, Dick Lewis, and Franklin Savings Bank, who will be MCing the City's portion of the event, officially kicks-off at 10:30am. The attached flyer in the Council Packet was distributed as the invitation to this event. She informed everyone that there are rumors out there that Avitar is barging their way into people's homes and this is not the case. Avitar assessors are working on a re-evaluation in Franklin and are not entering people's homes whatsoever. They are only driving around the City and can be seen in a car that says Avitar on the side. She concluded stating that the re-evaluation does not drive up the revenue that the City receives. The re-evaluation is the value piece of the tax formula and will likely drive the tax rate down. They are expected to complete this re-eval by June 8th. Free lunches will be provided at the Franklin High School from June 25-August 30th. Governor Sununu sent an email to all the Councilors stating that he is signing a couple of important Bills that affect Franklin. House Bill 1791 and Senate Bill 376.

3. Late Item:

Motion: Councilor Desrochers motioned that the City Council authorize the submission of a formal request to the DES requesting an extension to the DES grant for the final cleanup and site remediation work on the former Macosko Foundry on Chance Pond Road, and authorize City Manager, Jude Milner to endorse all required documents. The extension will run through December 31, 2018.

Seconded by Councilor Ribas.

Dzunja thanked the City Manager for continuing her efforts to request the extra money.

Mayor Giunta thanked Director Dick Lewis for a job well done.

All in Favor. Motion Passed.

Councilor Dzujna commented on the man who stood before the Council this evening at told the School Board to come in with a high budget and if people came to previous budget meetings, it could be seen that the School's budget is level funded. He also commented on Chief Lachapelle working hard to come up with ideas. One idea is bringing in Andover. With that income received from Andover, Chief Lachapelle will be able to hire two new firemen. To tell the School Board to just put in a high budget and let the City worry about it just won't work. Mayor Giunta agreed with Councilor Dzujna and added that he has done so much work to organize events and bring attention to the Federal Government. Good things are happening in our City; we're getting developers on board to come here. To hear people blaming the City Council is upsetting. The Mayor asked the people who blame the City, what have you done to help this City?

Motion: Councilor Ribas motioned that the City Council enter into non-public according to RSA 91-A:3, II(c) Matters which if discussed in public would likely adversely affect the reputation of any person other than a member of the public body itself unless such person requests an open meeting. This exemption shall extend to any application for assistance or tax abatement or a waiver of fee, fine or a levy if based on the inability to pay or poverty of the applicant.

Seconded by Councilor Barton

Roll Call:

Councilor Barton	<u>Yes</u>	Councilor Desrochers	<u>Yes</u>	Councilor Ribas	<u>Yes</u>
Councilor Brown	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Trudel	<u>Yes</u>
Councilor Clarenbach	<u>Yes</u>	Councilor Moquin	<u>Yes</u>	Councilor Zink	<u>Yes</u>

Entered into Non-public meeting at 7:26PM

Motion: Councilor Desrochers moved to end the non-public session and enter into Public Session.

Seconded by Councilor Ribas.

All in favor. Motion passed.

Motion: Councilor Zink moved to seal the minutes. Motion seconded by Councilor Ribas

All in favor. Motion passed.

Returned to Public Session at 7:36PM

Motion: Councilor Ribas motioned that the City Council enter into non-public according to RSA 91-A:3, II(d) Consideration of the acquisition, sale or lease of real or personal property which, if discussed in public, would likely benefit a party or parties whose interests are adverse to those of the general community.

Seconded by Councilor Desrochers.

Roll Call:

Councilor Barton	<u>Yes</u>	Councilor Desrochers	<u>Yes</u>	Councilor Ribas	<u>Yes</u>
Councilor Brown	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Trudel	<u>Yes</u>
Councilor Clarenbach	<u>Yes</u>	Councilor Moquin	<u>Yes</u>	Councilor Zink	<u>Yes</u>

All in Favor. Motion passed.

Entered in Non-public meeting at 7:36PM

Motion: Councilor Clarenbach moved to end the non-public session.

Motion Seconded by Councilor Ribas

Motion: Councilor Zink motioned to seal the minutes. Motion Seconded by Councilor Desrochers.

Motion to adjourn made by Councilor Trudel, Seconded by Councilor Dzujna.

All in favor, meeting adjourned at 7:40PM

Respectfully Submitted,

Audrey Lanzillo

CITY COUNCIL MEETING
AGENDA ITEM II



CITY OF FRANKLIN
COUNCIL AGENDA REPORT
July 2, 2018

Subject: School Board Report

The Superintendent will provide a monthly report to the Mayor and City Council.

CITY COUNCIL MEETING
AGENDA ITEM III



**CITY OF FRANKLIN
COUNCIL AGENDA REPORT**

July 2, 2018

Subject: Mayor's Drug and Alcohol Task Force Update

Kayla Bertolino will provide an update on the Mayor's Drug and Alcohol Task Force.

CITY COUNCIL MEETING
AGENDA ITEM IV



CITY OF FRANKLIN, NEW HAMPSHIRE

316 Central Street
Franklin, New Hampshire 03235
Telephone (603) 934-3900
Fax (603) 934-7413

Suggested Motion:

July 2, 2018

Councilor moves, "I move that the Franklin City Council adopt ordinance 01-19 relating to Chapter 160-1, Fees changing the water commodity charge to \$6.62 and sewer disposal charge to \$7.09 effective July 1, 2018 by a roll call vote".



CITY OF FRANKLIN, NEW HAMPSHIRE

"The Three Rivers City"

316 Central Street
Franklin, NH 03235

(603) 934-3900
fax: (603) 934-7413

ORDINANCE #01-19

AN AMENDMENT TO THE FRANKLIN MUNICIPAL CODE:

In the Year of our Lord, Two Thousand Eighteen;

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

	<u>Current Fee</u>	<u>Change To</u>
Water Commodity Charge Per 100 cubic feet	\$6.45	\$6.62
Sewer Disposal Charge Per 100 cubic feet	\$6.91	\$7.09

Fees to be effective July 1, 2018 by a roll call vote.

Roll Call:

Councilor Barton	_____	Councilor Desrochers	_____	Councilor Ribas	_____
Councilor Brown	_____	Councilor Dzujna	_____	Councilor Trudel	_____
Councilor Clarenbach	_____	Councilor Moquin	_____	Councilor Zink	_____

Approved: _____
Mayor

Passed: _____

I certify that said vote has not been amended or repealed and remain in full force and effect as of the date of this Certification and that Katie Gargano is the City Clerk for the City of Franklin, Franklin, New Hampshire.

A true copy, attested: _____
City Clerk

Date: _____

**CITY OF FRANKLIN
NOTICE OF PUBLIC HEARING & MEETING**

In accordance with the provision of Chapter 31, Division 2 of the Franklin Municipal Code, notice is hereby given that the City of Franklin will hold a Public Hearing on Monday, July 2, 2018 at 6:00 p.m. in the Council Chambers, Franklin City Hall regarding Ordinance #01-19, proposing a change to the Franklin Municipal Code, Chapter 160, Fees, 160-1 Fees with regard to an increase in the Water Commodity Charge per 100 cubic feet, and an increase in the Sewer Disposal Charge per 100 cubic feet.

Provisions for persons with special needs can be made by contacting the City Manager's office, via telephone or mail at least five days prior to the public hearing.

**City of Franklin
316 Central Street
Franklin, NH 03235
(603) 934-3900**

CITY COUNCIL MEETING
AGENDA ITEM V



CITY OF FRANKLIN COUNCIL AGENDA REPORT

June 26, 2018

From: Judie Milner – City Manager

Subject: City Council to consider disposition of Tax Acquired Property

Recommendation:

Pursuant to RSA 47:5, the City can dispose of property at any time. I suggest that the City Council authorize the City Manager to dispose of the following through a bid process:

Map/Lot#	Location	Year Taken	Taxes Owed	Assessed Value	Recommended Minimum Bid
100-012-00	139 Thunder Road	2016	9,377.00	80,000.00	10,000.00
095-008-00	Prescott Road	2016	2,302.64	23,400.00	2,500.00

With the following conditions:

Thunder Road:

1. The existing house and any out buildings must be demolished by the new buyer.
2. Prior to any demolition work, the building must be tested for any asbestos. If any Asbestos Containing Materials are identified then the material must be properly removed and disposed by a qualified DES licensed firm.
3. A Demolition Permit must be obtained from the Planning and Zoning Office.
4. A Building Permit must be obtained prior to the construction of a new residential structure. All Permit and Inspection fees must be paid.
5. Prior to the issuance of a building permit, the buyer must verify that there are existing connections to the City water and sewer systems. If no connections are found, then establishing those connections must be performed before a Certificate of Occupancy for the replacement structure is issued by the Planning Department. All fees for the connections to the water and sewer systems must be paid.
6. The new structure may be placed on the footprint of the existing structure [see the attached subdivision plan, revised 24 January, 1994.
7. The replacement structure may be shifted on the property, but the new location must either conform to the required setbacks or it cannot be any closer to the front of side lot lines than the existing structure
8. The driveway must be re-established on the northerly side of the property. A Driveway permit must be obtained from the Franklin Municipal Services Department

Prescott Road:

- 1) The existing out buildings must be demolished by the new buyer
- 2) The lot must be merged with the lot of the new buyer if abutting.

The options available to the Council include:

- Auction
- Bid Process
- Direct Sale

Suggested Motion:

Councilor moves, "I move to authorize the City Manager to dispose of the following properties through a bid process with a minimum bid amount as shown and conditions per property as outlined above and to further execute all closing documents required for the conclusion of the referenced sale:

Map/Lot#	Location	Recommended Minimum Bid
100-012-00	139 Thunder Road	10,000.00
095-008-00	Prescott Road	2,500.00

Mayor calls for a second, discussion, and the roll call vote.

Discussion:

The owners of both properties are deceased with no heirs coming forward which is how they became tax dedeed. The Prescott Road property is small, .15 acre, land only. I've had 2 people (the abutters on each side) inquire about this property.

139 Thunder Road also has 2 people specifically interested in taken down the existing structure and rebuilding. They are not current abutters. This property was on the City's list of properties to demolish so this saves us a step.


All bids to be submitted to city hall and to remain sealed until the public opening date. All abutters to be notified via mail. The bid will be open to the public. The bid process to be published in the newspaper and all normal city posting locations (including the website).

The goal is to get the properties cleaned up, back on the tax rolls, recoup some of our expenses, and begin collecting taxes on the properties once again.

Fiscal Impact: Selling the properties will place them back on the tax rolls

Attachments/Exhibits: Map
Tax card

PICTURE



OWNER

FRANKLIN, CITY OF
316 CENTRAL STREET
FRANKLIN, NH 03235

TAXABLE DISTRICTS

District	Percentage

PERMITS

Date	Permit ID	Permit Type	Notes

BUILDING DETAILS

Model: 1 STORY OLD STYLE
Roof: GABLE OR HIP/UNSPECIFIED
Ext: UNSPECIFIED
Int: UNSPECIFIED
Floor: UNSPECIFIED
Heat: OIL/HOT WATER
Bedrooms: 1 Baths: 1.0 Fixtures: 3
Extra Kitchens: Fireplaces:
A/C: No Generators:
Quality: A0 AVG
Com. Wall:
Size Adj: 1.2769 Base Rate: EHS 75.00
Bldg. Rate: 1.2360
Sq. Foot Cost: \$ 92.70

BUILDING SUB AREA DETAILS

ID	Description	Area	Adj.	Effect.
ATU	ATTIC	480	0.10	48
FFF	FST FLR FIN	780	1.00	780
EPF	ENCLOSED	100	0.70	70
STO	STORAGE AREA	150	0.25	38
GLA:	780	1,510		936

2013 BASE YEAR BUILDING VALUATION

Market Cost New:	\$ 86,767
Year Built:	1900
Condition For Age:	FAIR
Physical:	
Functional:	
Economic:	
Temporary:	
Total Depreciation:	40 %
Building Value:	Data Conversion \$ 52,100



Franklin, NH

June 26, 2018

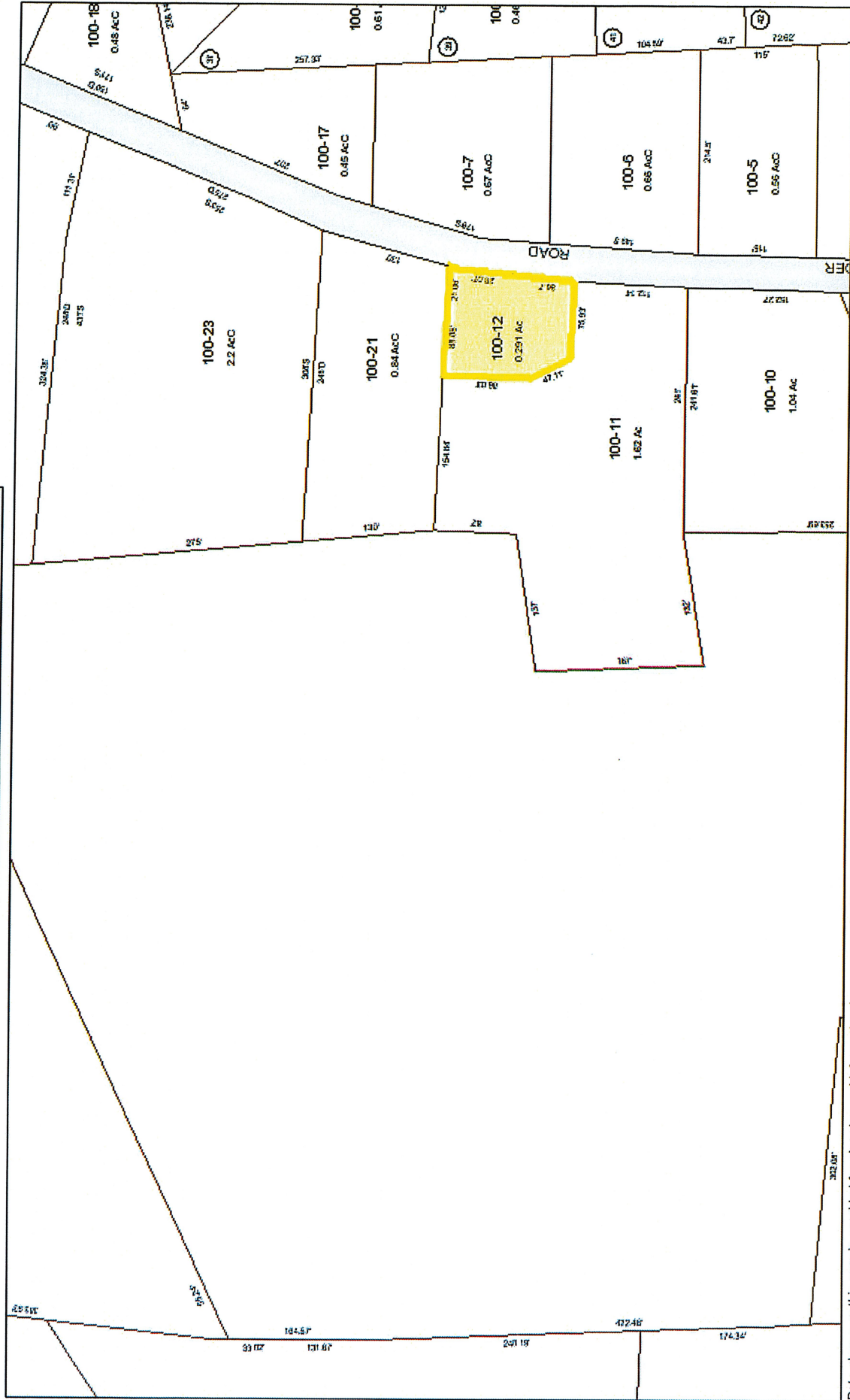
1 inch = 134 Feet

0 134 268 403



CAI Technologies
Precision Mapping Geospatial Solutions

www.cai-tech.com



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OWNER INFORMATION				SALES HISTORY				PICTURE			
FRANKLIN, CITY OF											
316 CENTRAL STREET											
FRANKLIN, NH 03235											

LISTING HISTORY				NOTES			
07/20/17	INSP	MARKED FOR INSPECTION		NO TRESPASSING; TAKEN BY TAX DEED 6/10/16; 6/08 - CYCLED INSP - APPEARS UNIMPROVED, WOODED, LEVEL, CORNER LOT. MARK WAGNER PASSED AWAY 3/2/11 - REMOVED DUE TO JT WROS. 6/14 - CYCL - UNIMPROVED PARCEL. RSI EST DUE TO NO TRESPASS; SIGN;			
06/25/14	CB	UNIMP. PARCEL					
06/23/08	SP	UNIMP. PARCEL					
06/25/02	RS	UNIMP. PARCEL					

LAND VALUATION									
Zone: R1		Minimum Acreage: 0.92		Minimum Frontage: 100					
Land Type	Units	Base Rate	NC	Adj	Site	Road	DWay	Topography	Cond
EXEMPT-MUNIC	0.150 ac	23,154	E	100	100	100	100		100
		0.150 ac							
				Site:		Driveway:		Road:	
				Ad Valorem	SPI	R	Tax Value	Notes	
				23,200	0	N	23,200		
				23,200		23,200			

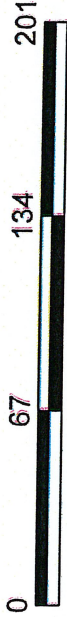
Map Sheet: L7



Franklin, NH

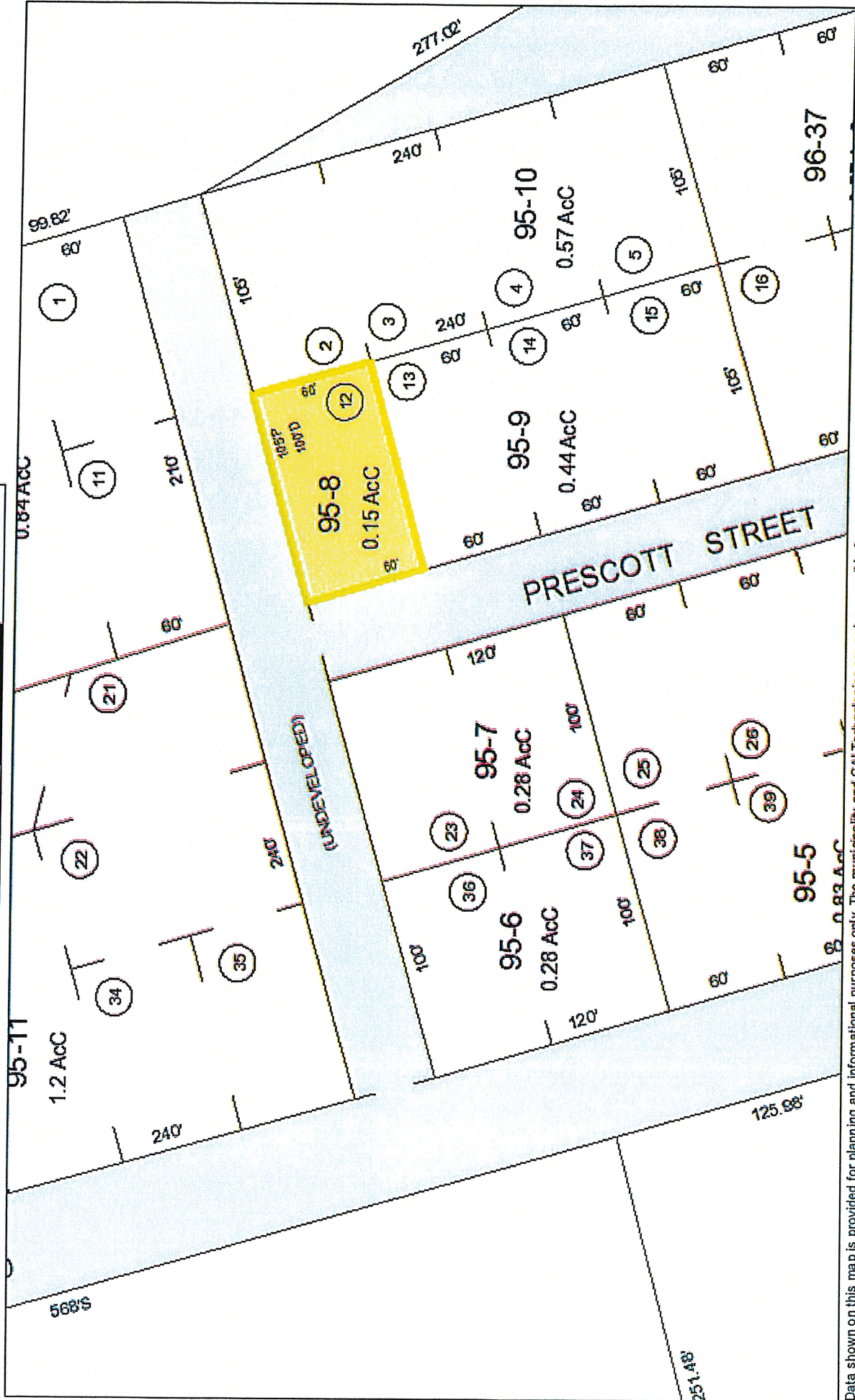
June 26, 2018

1 inch = 67 Feet



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CITY COUNCIL MEETING
AGENDA ITEM VI



**CITY OF FRANKLIN
COUNCIL AGENDA REPORT**

June 26, 2018

From: Judie Milner, City Manager
Subject: Community Action Program Lease

Recommendation:

I recommend the Franklin City Council approve the 30 year lease of 82 Elkins Street to the Community Action Program forgoing rental payments and considering this an in-kind donation to the Community Action Program on behalf of the City.

Suggested Motions:

Councilor moves, "I move the Franklin City Council approve the 30 year lease of 82 Elkins Street to the Community Action Program forgoing rental payments and considering this an in-kind donation to the Community Action Program and authorize the City Manager to sign the lease on behalf of the City."

Mayor calls for a second, discussion and vote.

Discussion:

As the Council is aware, the community action program (CAP) has occupied the city owned building at 82 Elkins street for several decades. Recently, the building was deemed barely habitable and the CAP office sought and received funding through a USDA loan/grant program and a CDFA CDBG grant. Last August, under former Manager Dragon, the council approved the submission of the CDBG grant through the City on behalf of the CAP office and approved a tentative 30 year lease with CAP as required by the grant application. The lease is a little different this time as the USDA program is requiring a leasehold mortgage in addition to the lease which protects the CAP office while they are paying back the USDA loan and protects the City should the CAP office default on the loan. The attached language in both documents has been approved by Attorney Fitzgerald.

Fiscal Impact:

The CAP office is razing a barely habitable city building and constructing a new city building on City owned property at no cost to the City except for the forgone rental payments to the City for the duration of the 30 year lease. The current CAP lease has the same forgone rental payment language in it so there is no change in revenue.

Alternatives:

Do not approve lease and project will not move forward. CAP will likely find a new “home” and the City will have to deal with the dilapidated building.

Attachments/Exhibits:

Proposed Lease (for approval)

Leasehold Mortgage (for information only)

Lease
Between
The City of Franklin
and
Community Action Program Belknap and Merrimack Counties, Inc.
for
82 Elkins Street

Draft: 06/21/18

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Lease

(82 Elkins Street, Franklin)

This Lease is entered into as of _____, 2018, by and between the City of Franklin, New Hampshire, 316 Central Street, Franklin, NH (the "City") and Community Action Program Belknap and Merrimack Counties, Inc., 2 Industrial Park Drive, Concord, NH ("CAP").

Recitals:

A. The City, a New Hampshire municipal corporation, owns real estate known as 82 Elkins Street in Franklin (the "Property"), currently occupied by CAP, a New Hampshire nonprofit corporation, and used for CAP's social service activities, under a lease dated _____ (the "Old Lease").

B. The building now on the Property (the "Old Building") is in disrepair. CAP and the City have agreed that CAP will demolish the Old Building and construct a new building on the Property (as reconstructed, the "Building"), to be owned by the City and occupied by CAP, subject to this lease, replacing the Old Lease (the demolition of the Old Building and construction of the Building is referred to as the "Project").

C. CAP is obtaining financing for the Project (the "Financing"), including loans and grants from governmental agencies and others described on Schedule C (the "Lenders"), disbursed either directly to CAP or through the City, the receipt of which is a condition to the Project.

Now, therefore, for consideration paid, CAP and the City agree that:

1. Lease of Property. The City hereby leases the Property to CAP, subject to the following terms and conditions.

2. Term.

A. Initial Term. The initial term of the lease shall be for thirty years, commencing on _____, and ending on _____.

B. Renewal. CAP may renew the lease for up to three additional renewal terms of ten years each. The Lease will be considered to have renewed automatically unless CAP notifies the City that it does not intend to renew the lease at least six months before the end of the then current lease term.

3. Rent. The City waives rental payments during the lease term.

4. The Project.

A. Construction of Building. CAP, at its expense, will (i) demolish and remove the Old Building (the “Demolition”) and (ii) construct the Building and other improvements to the Property generally as described in the construction plans as approved by the Lenders (the “Improvements”).

B. Performance of Project. The Project shall:

(1) Be performed at CAP's sole risk and expense; and

(2) Be performed in accordance with all applicable building codes and

in accordance with the Lenders’ requirements.

C. Mechanics Liens. CAP shall obtain lien waivers from all its subcontractors and contractors and take such other steps as are reasonably required by the City to

prevent the attachment of mechanics' or materialmen's liens to the Property as a result of the Project.

D. Access to Property. CAP and its agents and contractors shall have full access to the Property at all times to complete the Project.

E. Permits and Approvals. CAP shall be responsible for obtaining all permits and approvals required for the Project. CAP is authorized to apply for and obtain those permits in the name of the City. The City shall provide CAP with evidence of its authorization, on request.

F. Financing. CAP and the City will grant mortgages and other collateral interests in the Property required by the Lenders to secure the Financing (the "Security Documents").

5. Conditions. This lease is subject to and conditioned upon:

A. Financing. CAP's receipt of financing for the costs of the Project from sources and on terms acceptable to CAP and the City;

B. Approvals. CAP receives all permits and approvals required for construction of the Project.

6. Use.

A. CAP's Use. CAP will use the Building for office space and related activities for delivery of programs to assist low or moderate income individuals and families of Belknap and Merrimack Counties and similar services (the "Social Services").

B. Subtenants. CAP may sublease portions of the Building to governmental entities and programs and to other nonprofit organizations providing Social Services acceptable

to the City ("Subtenants"). Any rental fees and other charges paid by any Subtenants shall not be in excess of fair rental value.

7. Heat; Water; Utilities Charges. CAP shall pay all charges for electricity, gas, telephone service, and other utility services used on the Property.

8. Maintenance and Repairs.

A. Building. CAP shall be responsible for maintaining the Building in good condition, except for (i) reasonable wear and tear and (ii) any casualty loss for which the City is required to carry insurance.

B. Snow and Ice Removal; Maintenance of Grounds. CAP shall be responsible for snow and ice removal and for maintenance of the grounds.

9. Fixtures and Improvements. All fixtures and equipment installed by CAP shall continue to be property of CAP, which CAP may remove upon the termination of this lease, but CAP shall repair any injury to the Property resulting from that removal.

10. Hazardous Waste. CAP shall store and dispose of all hazardous waste and materials in accordance with all applicable governmental regulations. CAP shall indemnify and hold the City harmless from and against all damages or liability arising from CAP's use or possession of hazardous waste or materials on the Property.

11. Signs. CAP may erect signs on the Property for the Uses. CAP shall obtain all necessary governmental approvals for any signs.

12. Taxes. CAP shall pay all taxes assessed on the Property no later than their due date, to the extent that the Property is not exempt from taxation under RSA 72:23 V-a.

13. Damage or Destruction.

A. Repair Obligation. If the Property is destroyed or damaged by fire or other casualty, the City shall repair or reconstruct the Property, but only to the extent of available proceeds of insurance and funds from other, third party sources. If the fire or other casualty makes the Property substantially unfit for CAP's use and the Property cannot be reasonably repaired within ninety days, then CAP may terminate this lease by giving written notice to the City within forty-five days of the later of (a) date of the damage or (b) the date that the City gives CAP an estimate of the time required for repair.

B. Limitation on the City's Obligation to Restore. The City shall have no obligation to restore the Property if (i) the cost of repair will exceed the sum of (a) insurance proceeds actually made available for the reconstruction and (b) amounts contributed by third parties and by CAP, or (ii) the cost to repair exceeds \$50,000 and the loss occurs within six months of the expiration of the then current lease term, unless CAP has exercised its option to renew for the next following lease term. This term shall be reopened and reviewed prior to exercising any renewal option.

14. Insurance. This term shall be reopened and reviewed prior to exercising any renewal option.

A. Required Insurance.

(1) CAP's Insurance. CAP shall maintain:

a. Liability. Commercial general liability insurance for bodily injury and property damage with broad form contractual liability, including any riders customarily required for CAP's use of the Property, and coverage limits of not less than One

Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate;

b. Builder's Risk. During construction of the Project, builder's risk insurance in an amount and on terms acceptable to the Lenders;

c. CAP's Improvements and Personal Property. Insurance covering CAP's personal property on the Property in an amount equal to the full replacement cost.

(2) The City. The City shall maintain fire and hazard insurance on the Property in amounts equal to its full replacement value, but excluding any property belonging to CAP.

(3) Subtenants. Unless waived by CAP and the City, each Subtenant shall maintain commercial general liability insurance for its operations on the Property.

B. Requirements of Insurance.

(1) All policies of insurance by CAP shall name the City as loss payees, "named insureds," or "additional insureds" on a primary basis, as applicable and as the City may designate.

(2) All policies of insurance on the Property by the City and CAP shall name the Lenders as mortgagees or lender loss payees, as the Lenders may require.

(3) All liability policies required to be maintained by the Subtenants shall name the City and CAP as "named insureds," or "additional insureds" on a primary basis, as applicable

(4) All policies of insurance shall be issued by insurance companies that are admitted carriers in New Hampshire and that are reasonably acceptable to the City and CAP.

(5) Each of the City and CAP shall deliver to the other evidence of the required insurance (duplicate original policies or the latest applicable ACORD form) prior to the commencement of the lease term, and evidence of renewal policies at least thirty (30) days prior to the expiration of the term of each policy, and shall provide the other party, and the Lenders on request, with evidence of payment of all premiums as or before due.

(6) Require that party's insurer to provide at least thirty days' prior written notice to the other parties of any cancellation, reduction, or other adverse change in the policy.

(7) Each party's obligation to carry the insurance described above may be provided by inclusion of the coverage in a so-called blanket policy or policies carried by that party as long as all requirements set forth above are satisfied and that the coverage afforded the other party will not be reduced or diminished by the use of the blanket policies.

C. Waiver of Subrogation. The City and CAP each releases the other from liability for loss resulting from fire or other casualty for which coverage is to be provided by any policy of insurance by either of them under this lease.

15. Default.

A. By CAP.

(1) Events of Default. The City may declare CAP in default upon the occurrence of any of the following:

a. Construction. CAP does not complete the Project in a timely manner after receipt of the Financing.

b. Default on Financing. CAP is in material breach of its obligations to the Lenders for the Financing, a Lender has declared CAP in default, and CAP has not timely cured the default.

c. Other. CAP breaches any other condition of this lease and the breach continues for at least thirty (30) days following the City's written notice of the breach delivered CAP and to the Lenders, or for such longer time as is reasonably required by CAP in good faith to cure the breach.

(2) Remedies. Upon the occurrence of an Event of Default by CAP that is not timely cured, the City may terminate the lease and have the remedies granted to a landlord of commercial property under RSA 540, except that, for any Subtenants that are not then default, the City shall not disturb the Subtenants' quiet enjoyment of the Property for the term of the Subtenant's lease or rental agreements (the "Subtenant Leases") and any extension period allowed by the Subtenant Leases.

B. By The City.

(1) Events of Default. Cap may declare the City in default if the City breaches any conditions of this lease and the breach continues for at least thirty (30) days following CAP's written notice of the breach delivered the City, or for such longer time as is reasonably required by the City in good faith to cure the breach, or, for any action by the City that violates its obligations under this lease and prevents CAP from occupying the Property or completing the Project, such shorter notice as is reasonable under the circumstances.

(2) Remedies. Upon the occurrence of an Event of Default by the City that is not timely cured:

- a. CAP may terminate this lease; or
- b. CAP may obtain equitable relief, including an injunction, to compel the City to grant CAP access to and use of the Property to provide Social Services required for the Financing.

16. Waiver. The City's lack of enforcement of any of the terms or conditions of this lease shall not constitute or be construed as a waiver or relinquishment of the City's right to enforce any such term or condition thereafter.

17. Indemnification. CAP shall indemnify and hold the City, its officers and agents, harmless from any claims or liabilities arising from CAP's occupancy of the Property during the lease term, except as caused by the City's intentional wrongful acts.

18. Notices.

A. Form of Delivery. Any written notice, request or demand required or permitted by this lease shall be properly given if (a) delivered by in hand delivery to a responsible person at a primary business offices of the recipient, or (b) sent by certified or registered mail, postage prepaid and addressed to the addresses listed below. Routine communications not requiring formal notice under this lease may be delivered by any commercially reasonable method, including, if consented to, email and facsimile transmission.

B. Addresses for Notices.

(1) If to the City.

Office of the City Manager,

City Hall
316 Central Street
Franklin, NH 03235

(2) If to CAP.

Community Action Program Belknap and Merrimack Counties,
Inc.,
2 Industrial Drive
PO Box 1016,
Concord, NH 03302

Attn: Executive Director

(3) If to Lenders. The address given to the City and CAP by the Lenders or, if none, to the address of the Lenders in the Security Documents recorded for the Property.

(4) If to Subtenants. The address given to the City and CAP by the Subtenant or, if none, to the address of the Subtenants at the Property.

19. Statutory Notice of Lease. The parties shall execute and CAP may record in the Merrimack County Registry of Deeds a statutory notice of lease substantially in the form of Exhibit 19.

20. Termination of Old Lease. As of the first day of the term of this lease, the Old Lease is terminated.

21. Miscellaneous. This lease is to be construed as a New Hampshire lease; is to take effect as a sealed instrument; sets forth the entire agreement between the parties; is binding upon and inures to the benefit of the parties and their respective successors and assigns; may be cancelled, modified, or amended only by written instrument signed by both the City and CAP;

and may be signed in counterparts. Any consents requested under this lease shall not be unreasonably withheld or delayed.

[Signature Page Follows]

Signature Page to Lease
(82 Elkins Street, Franklin)

City of Franklin

By: _____
Judie Milner
City Manager

Community Action Program Belknap and
Merrimack Counties, Inc.

By: _____
Jeanne Agri
Executive Director

State of New Hampshire
County of Merrimack

The foregoing instrument was acknowledged before me on _____, 2018, by
Judie Milner, Acting City Manager of the City of Franklin.

Justice of the Peace/Notary Public
My Commission expires:

State of New Hampshire
County of Merrimack

The foregoing instrument was acknowledged before me on _____, 2018, by
Jeanne Agri, Executive Director of Community Action Program Belknap and Merrimack
Counties, Inc.

Justice of the Peace/Notary Public
My Commission expires:

CORPORATE REAL ESTATE MORTGAGE FOR NEW HAMPSHIRE

(Leasehold Mortgage)

THIS MORTGAGE is made and entered into this day, **xx/xx, 2018** by Community Action Program Belknap and Merrimack Counties, Inc., a non-profit corporation organized and existing under the laws of the State of New Hampshire, whose address is PO Box 1016, 2 Industrial Park Drive, Concord, NH 03302 (the Borrower), and the United States of America (the Government), acting through the Rural Housing Service, United States Department of Agriculture, whose address is set out in Covenant 31 below, the mortgagee.

The Government has loaned the Borrower money as evidenced by one or more promissory note(s). If more than one note is described below, the word "Note" as used herein shall be construed as referring to each note singly or all notes collectively, as the context may require and all of them shall have equal lien under this instrument without regard to their priority in time, maturity or otherwise. The Note has been executed by the Borrower, is payable to the order of the Government in installments as specified therein, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by the Borrower, and is further described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
xx/xx/2018	300,000	3.50%	xx/xx/2033

The Government may assign the Note at any time. The Government may also insure the payment of the Note pursuant to the Consolidated Farm and Rural Development Act.

Whenever the Note is held either by the Government or by an uninsured holder, this instrument shall secure payment of the Note. Whenever the Note is held by an insured holder; however, this instrument shall not secure payment of the Note or attach to the underlying debt. In that event, this instrument shall constitute an indemnity mortgage to secure any payments to an insured holder of the Note or other advances which the Government may be required to make upon default by the Borrower. The insured holder shall have not right, title or interest in or to the lien of this instrument or its benefits. This instrument also secures the Borrower's obligations and covenants under other instruments delivered in connection with the loan evidenced by the Note, including the Borrower's Loan Agreement of even date and its Loan Resolution and this instrument together with any supplements, amendments, attachments, modifications, additions and related financing statements are collectively referred to as the "Loan Instruments".

The Borrower is constructing or has constructed a social services building (the "Building") described herein, pursuant to a Lease and Land Use Agreement (the "Lease and Land Use Agreement") dated **xx/xx/xxxx**, with the City of Franklin, New Hampshire (the "City"). The Borrower is entitled to use land, buildings and improvements in accordance with said Lease and

Land Use Agreement (the "Land Use"). A Notice of Lease memorializing the Lease and Land Use Agreement has been recorded in Book ____, Page ____, in the Merrimack County Registry of Deeds.

The lien of this instrument shall extend to and cover the Borrower's leasehold and other land use interests in the Land Use described below and all property and property rights, real or personal and of whatever character or nature, that may at any time hereafter be acquired, owned, held, possessed, or enjoyed in any manner by Borrower in or on the premises described below, including but not limited to its interests in the Building.

NOW THEREFORE, IN CONSIDERATION OF THE LOAN(S), the Borrower does hereby grant, convey, mortgage and assign to the Government, the following property WITH MORTGAGE COVENANTS and its STATUTORY CONDITIONS:

The Borrower's leasehold interest in the Building and that real estate in Franklin, New Hampshire and being more particularly described as follows:

All of borrower's right, title, and interest in and to the Building and the Lease and Land Use Agreement for an original term of 360 months commencing on **xx/xx/xxxx**, created and established by the Lease and Land Use Agreement, including any extensions and renewals thereof, the legal descriptions or which are attached hereto as **EXHIBIT A** and incorporated herein (the "Leasehold").

TOGETHER with all fixtures, machinery, appliances, and equipment of every nature and kind whether now on the premises or hereafter to be placed or installed therein or thereon, appurtenant to the buildings erected or to be erected on the premises and intended for the use of occupants, that, under the Lease and Land Use Agreement, is the property of the Borrower, all of which are hereby deemed a part of the Leasehold as between Borrower and the Government, their successors and assigns, and a portion of the security for the indebtedness herein mentioned and to be conveyed by this instrument.

TOGETHER with all chattels and articles of personal property owned by Borrower, in or used in connection with the operation, possession, and enjoyment of, the premises, whether attached or unattached to the Leasehold, including all chattels and articles or personal property hereafter acquired by Borrower or any successor lessee of the premises in addition to, substitution for, or replacement of any of the chattels or articles of personal property now in, or used in connection with, the premises. This instrument shall constitute a security agreement with respect to any and all of the above-described chattels and articles of personal property. At the request of the Government, Borrower shall join with mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to Government, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by Government.

TOGETHER with the rents, issues, and profits of the Leasehold, subject; however, to the right reserved by Borrower to collect and apply such rents, issues and profits prior to any default hereunder.

PROVIDED, HOWEVER, that with respect to fixtures, this instrument shall also serve as a fixture filing pursuant to Chapter 382-A of NHRSA S9-402(6) without the necessity of filing a fixture financing statement.

All of the foregoing property is hereinafter collectively referred to for convenience of reference as the "Encumbered Property".

TO HAVE AND TO HOLD the Encumbered Property unto the Government and its assigns forever for the unexpired term of years under the Lease and Land Use Agreement and any renewals or extensions thereof, together with all of the Borrower's rights, title and interests under said Lease and Land Use Agreement, to secure (a) payment of the Note in accordance with its terms, including any extensions or renewals thereof, whenever the Note is held by either the Government or by an uninsured holder; (b) repayment, with interest, of any payments, advances and expenditures made by the Government pursuant to the terms of this or any other Loan Instrument; (c) performance of every covenant and agreement of the Borrower's contained in this or any other Loan Instrument; and (d) all future advances, whether obligatory, protective or voluntary, made to the Borrower by the Government from time to time.

The Borrower, for itself, its successors and assigns, WARRANTS THE TITLE to the Encumbered Property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified above or listed on Exhibit A.

The Borrower, for itself, its successors and assigns, COVENANTS AND AGREES as follows:

- (1) Borrower will promptly pay any indebtedness secured by this instrument when due.
- (2) Borrower will indemnify the Government against any loss which the Government may incur as a result of making payments to an insured holder of the Note after the Borrower's default.
- (3) Borrower will pay the Government any fees or other charges required under regulations of the Rural Development/Rural Housing Service.
- (4) Borrower will pay when due all taxes, liens, judgments, encumbrances and assessments lawfully attaching to or assessed against the Encumbered Property that are its obligations as tenant to pay under the Lease and Land Use Agreement, and, without demand, will also provide the Government with proof of those payments.
- (5) Borrower will pay the Government for any expenses necessary or incidental to (a) the protection of the lien or priority of any Loan Instrument and to (b) the enforcement of or compliance with the provisions of any Loan Instrument. "Expenses" include (without limitation) costs of evidence of title, surveys, recording fees, attorneys' fees and trustees' fees, as well as court costs and expenses of advertising, selling and conveying the Encumbered Property or any portion of it.
- (6) Borrower will use the loan evidenced by the Note solely for the purposes authorized by the Government, and to the extent not inconsistent with the regulations of the Government.

- (7) Borrower will keep the Encumbered Property insured as required by the Government and will deliver the originals of all insurance policies to the Government for safekeeping if so requested.
- (8) Borrower will comply with all laws, ordinances and regulations affecting the Encumbered Property and the conduct of Borrower's business operations.
- (9) Borrower will maintain the Encumbered Property in good repair and make any repairs the Government may require.
- (10) Borrower will operate the Encumbered Property in a good and efficient manner and will comply with management plans and practices which the Government may prescribe from time to time.
- (11) Borrower will not abandon the Encumbered property; effect waste, lessening, or impairment of the Encumbered Property; or cut, remove or lease any timber, gravel, oil, gas, coal or other minerals.
- (12) Borrower will not (except as may be authorized in the Loan Agreement or as may be in the ordinary course of business) lease, assign, sell, transfer or further encumber the Encumbered Property or any nonexpendable part thereof, voluntarily or otherwise, either in whole or in part, without the prior written consent of the Government. This covenant may be modified by the Loan Agreement and does not preclude any sublease, assignment, sale, transfer or further encumbrance of the Encumbered Property in the ordinary course of the Borrower's business.
- (13) The premises described herein was obtained or improved through Federal financial assistance. The Encumbered Property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and the regulations issued pursuant thereto for so long as the premises continue to be used for the same or similar purpose for which financial assistance was extended or for so long as the Borrower leases it, whichever is longer. The Borrower will not convey, transfer or dispose of any interest therein without including a covenant in the instrument of conveyance which obligates the grantee, transferee or successor in interest to the Leasehold to comply with such statutory provisions.
- (14) If at any time it shall appear to the Government that the Borrower may be able to obtain a loan from a production credit association, a federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, the Borrower will, upon the Government's request, apply for and accept a loan in sufficient amount to pay the Note and any other indebtedness secured by this instrument and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.
- (15) Government may require the Borrower to make additional monthly payments equal to one-twelfth of the estimated taxes, assessments, insurance premiums and other charges upon the Encumbered Property.
- (16) The Government and its agents may inspect the Property at reasonable times to ascertain whether the Borrower is fulfilling its obligations under this or any other Loan Instrument.
- (17) The Government may at any time pay as advances for the Borrower's account any amounts which the Borrower is obligated to pay under any Loan Instrument and any expenses incurred by the Government in enforcing or protecting the Government's rights hereunder. The Government

may exercise this right regardless of whether the Note is insured and regardless of whether advances exceed the face amount of the Note. Advance by the Government pursuant to the terms of this paragraph shall bear interest at the rate borne by the Note which bears the highest interest rate. Advances, with interest, shall be immediately due and payable by the Borrower at the place designated in the latest Note. Advances under this paragraph shall neither relieve the Borrower of its obligations to pay nor cure any default under any Loan Instrument. Such advances, together with interest accruing on them, shall automatically become a part of the mortgage debt secured by this instrument.

(18) The extent specified by the Government in writing, the Government in its sole discretion may grant an extension of the time for payment or reamortize the indebtedness secured by any Loan Instrument, release any party from liability to the Government, release portions of the Encumbered Property from the lien of any Loan Instrument, and waive any other Government right under any Loan Instrument without affecting the lien or priority of any Loan Instrument, or the liability of the Borrower or any other party for payment of the indebtedness secured by any Loan Instrument.

(19) The Government will not be bound by any present or future state laws (a) providing for valuation, appraisal, or exemption of the Encumbered Property; (b) prohibiting or restricting an action for deficiency judgment or limiting the judgment amount which may be awarded; (c) prescribing any statute of limitations; (d) allowing any right of redemption or possession in connection with any foreclosure sale, or (e) limiting the conditions the Government may impose by regulations as a condition of approving a transfer of the Encumbered Property to a new borrower. THE BORROWER WAIVES THE BENEFIT OF ANY SUCH STATE LAWS.

(20) Borrower shall comply with all requirements of the Lease and Land Use Agreement, and will not surrender or relinquish, without the Government's prior written consent, any of the Borrower's rights, title, or interest in or to said land under the Lease and Land Use Agreement while this mortgage remains of record.

(21) Should the Borrower DEFAULT on any of its obligations under any Loan Instrument; breach any of its warranties or covenants under any Loan Instrument; merge, dissolve, be declared bankrupt or insolvent; or make an assignment for the benefit of creditors, the Government any without notice (a) accelerate the entire indebtedness secured by this instrument by declaring it immediately due and payable; (b) charge the Borrower's account for any reasonable expenses which the Government may pay or incur to maintain and repair the Encumbered Property; (c) operate or rent the Encumbered Property and apply any moneys received to the Borrower's account; (d) have a receiver appointed for the Leasehold; (e) foreclose this and any other Loan Instrument and sell the Encumbered Property as a business unit without any requirement for marshaling of assets and without regard to whether the Encumbered Property is realty or personality and (f) enforce any and all other rights and remedies provided herein or by present or future law.

(22) WAIVER: THE BORROWER ACKNOWLEDGES AND AGREES THAT IF BORROWER DEFAULTS A NONJUDICIAL FORECLOSURE OF THE PROPERTY MAY BE CONDUCTED WITHOUT A HEARING OF ANY KIND. THE BORROWER HERBY WAIVES ANY RIGHTS BORROWER MAY HAVE TO ANY SUCH HEARING. NEVERTHELESS, THE REGULATIONS OF THE RURAL DEVELOPMENT/RURAL HOUSING SERVICE IN EFFECT AT THE TIME SUCH FORECLOSURE IS STARTED MAY PROVIDE FOR A MEETING AND THE GOVERNMENT WILL FOLLOW THESE REGULATIONS.

(23) Upon default by Borrower as aforesaid, the Government may foreclose this instrument as authorized or permitted by the laws then existing of the jurisdiction where the Encumbered Property is situated and of the United States of America, on terms and conditions satisfactory to the Government, including but not limited to foreclosure by (a) Statutory Power of Sale, (R.S.A. 479.25) or (b) advertisement and sale of the Encumbered Property at public auction to the highest bidder in one or more parcels at the Government's option and at the time and place and in the manner and after such notice and on terms as may be required by statute or as may be determined by the Government is not contrary to statute, or (c) written agreement hereafter made between Borrower and the Government.

(24) Proceeds of a foreclosure sale pursuant to any Loan Instrument shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions of any Loan Instrument; (b) any prior liens required by law or a competent court to be paid; (c) all indebtedness to the Government secured by this instrument; (d) inferior liens of record required by law or a competent court to be paid; (e) at the Government's option, any other indebtedness of the Borrower owing to or insured by the Government; and, (f) any balance to Borrower.

(25) If the Government is the successful bidder at a foreclosure sale under any Loan Instrument, any portion of the purchase price not owed to a third party may be paid by crediting that amount on any debts of the Borrower which are owed to or insured by the Government.

(26) The right and remedies provided in this instrument are cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, by statute or by regulation.

(27) A waiver, amendment, release or modification of this instrument may be effected only by a writing which has been duly executed by the Government and shall not be established by conduct, custom or course of dealing.

(28) This instrument shall be subject to the present regulations of the Rural Development/Rural Housing Service and to its future regulations not inconsistent with the express provisions of this instrument, and shall be construed and enforced in accordance with applicable federal law. In all other respects, this instrument shall be governed by the laws of the state in which it is recorded.

(29) Default under this instrument shall constitute a default under any other instruments of the Borrower held or insured by the Government and default under any other instrument constitutes default under this instrument.

(30) The invalidity or unenforceability of any portion of this instrument shall not affect the validity or enforceability of the remaining portion of this instrument.

(31) Notices to the Borrower shall be sent to its address as shown on the first page of this instrument. Notices to the Government shall be addressed to the Rural Development, United States Department of Agriculture, 10 Ferry Street, Suite 218, Concord Center, Concord, New Hampshire 03301. Notices shall be sent by certified mail (postage prepaid) unless otherwise required by law. The Government and the Borrower may designate any further or different addresses to which subsequent notices shall be sent.

(32)) In the event that the Government at its option desires to extend additional credit to the Borrower from time to time for use by Borrower for operations of or improvements to the Building, then the lien of this instrument shall automatically be extended to cover such indebtedness. The Borrower shall evidence its consent by the execution and delivery of a Loan Resolution on Form RD 1942-9 and an additional note on Form RD 440-22 or their equivalents. In the event that at the time of the additional borrowing, the laws of the state in which this instrument is recorded do not permit such future advances to enjoy the lien of this instrument, then the Borrower shall execute and deliver an additional mortgage. Future mortgages may be in statutory form, with such additional provisions, either expressed or incorporated by reference to this mortgage, as the Government and the Borrower agree upon. Nothing contained in this section shall be construed to require the Government to evidence and secure obligatory advances under the Note or protective advances under this instrument with additional notes and mortgages.

PROVIDED that if all the indebtedness hereby secured is duly paid and each and every covenant, condition, agreement and obligation, contingent or otherwise, contained herein, secured hereby or arising hereunder is fully performed and discharged, this mortgage shall be void; otherwise, it is to remain in full force and effect.

IN WITNESS WHEREOF, the Borrower has caused this Mortgage to be executed by its President and its corporate seal to be affixed and attested by its Secretary, all as of the date first written above.

Community Action Program Belknap and Merrimack Counties, Inc.

ATTEST: _____	BY: _____
Secretary	President
_____	_____
Witness	Witness

ACKNOWLEDGMENT

[illegible]

On this xxth day of xx, 2018, before me, appeared Sara Lewko and James B. Draper III, to me personally known, who being by me duly sworn, did say that they are the President and Secretary, respectively of Community Action Program Belknap and Merrimack Counties, Inc. and that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that this instrument was signed by them and sealed on behalf of the corporation by authority of its Board of Directors and they acknowledged the instrument to be the free act and deed of the corporation.

(NOTARIAL SEAL)

Notary Public

My Commission Expires: _____

Exhibit A
PROPERTY DESCRIPTION FOR SOCIAL SERVICES BUILDING
AT 82 Elkins Street, Franklin, NH 03235

CITY COUNCIL MEETING
AGENDA ITEM VII



**CITY OF FRANKLIN
COUNCIL AGENDA REPORT**

City Council Meeting July 2, 2018

Date: June 27, 2018

From: Judie Milner, City Manager

Subject: City Manager's Update

1) Contingent Grant Line Activity

\$100 Donation for tennis backboard from Levin

2) Federal Agency Day

On June 12th Mayor Giunta hosted federal agency day at the City. It was fairly well attended by both federal agencies from USDA to EDA and communities nonprofits etc. with projects or just gathering info. Franklin was given the opportunity to present our biggest ideas to support the business owners and concepts for the downtown area. There were many positive conversations about Franklin projects.

3) School Funding Workshop Status

I reached out to the John Freeman, Doug Hall, Andru Volinsky, and John Tobin regarding a school funding workshop in Franklin similar to the one in Pittsfield on the 13th. They are very interested and are working the numbers to get back to me soon.

4) LRPC Community Service Award

On June 25th, The Mayor and I attended the annual meeting of the Lakes Region Planning Commission where Marty Parichand and Todd Workman received community service awards for their work in the City of Franklin's downtown and community. Congratulations Marty and Todd – well done!

5) Changing Franklin's image one step at a time – Winni River Days

June 22nd through June 24th, was the first annual Winni River Days festival held largely in Trestle View Park. Although the weather was not

optimal, the event was well attended and an overall success! Kudos to the Mill City Park board and especially our own Krystal Alpers, who was integral in the planning of the event. Job well done!