



Approved as amended by the City Council on August 6, 2018
Approved as amended by the City Council on November 5, 2018

City Council Meeting and Budget Workshop July 2, 2018

Call to Order

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

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, Councilor Scott Clarenbach, Councilor Vincent Ribas, Councilor Steve Barton

Salute to the Flag was led by City Manager Judie Milner.

Public Hearing

A public hearing was scheduled regarding Ordinance #01-19, proposing a change to the Franklin Municipal Code Chapter 160, Fees, 160-1 Fees to increase the Water Commodity Charge and an increase in the Sewer Disposal Charge.

Resident Roy Gilberth, 4 Edwards St. returned again for another water increase hearing. Mr. Gilberth expressed some frustration apologizing for wasting the City Council's time and also the City Council wasting his time. He stated that the water commodity charge has risen 43% in the last 4 years. If this latest increase is approved, it will increase 46.8% in the 4.5 years. He stressed that during this same period, inflation has increase 5.67%. The water flat rate was \$20.00 in 2014, up 50% in the 1st quarter of 2015. He feels this is like hitting a defenseless player or defenseless rate payer. He compared this rate increase with other consumer increases that residents have experienced during this time frame. He began by sharing the last 4 years of his bills with rate information for MetroCast Atlantic Broadband Cable TV which are up 36.2% for expanded basic service. He stated that when our water expense increases are out running our cable tv rate, we have a problem. PSNH is up 8.9%. Dartmouth College only raised their rates 13.3%. People are borrowing money to pay for these school increases. Adding runaway water rates will not be a good recipe mix for this town. He further expressed his frustration stating that this financial tactic compares to a slum lord on Bow Street who needs to squeeze a few more dollars out of a section 8 housing program. If rates increases continue, there will be more vacant properties and water conservation from those who live here. He stated that he'd like to make a \$20.00 wager that the City will increase water by \$10.00 (33%) by the end of 2019. He continued by stating that we shouldn't worry and keep searching for the Franklin Holy Grail industry to come here and save us. And keep a candle burning in hopes that Northern Pass will happen. He concluded by stating that maybe Permaculture, our shiny new revitalization plan, will bless our downtown with fancy restaurants and expensive products and food that no-one here can afford.

David Therrien, ward 2 resident stated that he has returned again to oppose this latest rate increase. He asked the City if it is back charging waterworks to service vehicles and asked if the dump trucks are being used for other purposes such as snow plowing. He stated that he saw back hoe trucks being used for snow plowing and wondered how that is handled as far as back charges.

City Manager Judie Milner responded to Mr. Therrien stating that she and Director Brian Sullivan discuss the budget and number of vehicles every year and allocate out the Water and Sewer. The Water and Sewer is separated out and handled and accounted for like its own private business. Water and Sewer has two vans used for data collection (for billing). The City charges "one-time fees" to plow the Water and Sewer Department streets (Tannery St., Water & Sewer garage, water treatment facility and the road to the water treatment facility). Milner stated that she is unaware of the excavator out doing snow removal and only a portion of the fleet is charged to Water and Sewer.

Mr. Therrien asked City Manager Milner if she didn't know if the back hoe is being used to plow and Milner clarified that she wasn't aware that it was being used but it could be if it was needed for Water and Sewer purposes as mentioned above or possibly a burst pipe. Milner stated that the fleet is reviewed every year, last time was this past January, and at that point, it wasn't being used.

Desiree McLaughlin, Franklin resident asked if this fee increase includes the infrastructure renewal or will it keep going up every time we need to update our infrastructure and what is the sustainability plan since she is the owner/operator of a local laundromat. She understands that increases are nationwide, not just in Franklin.

City Manager Milner replied to Desiree stating that the Water and Sewer rates that were in the manager's Proposal did not include a sustainability plan. It only reflects a minimum increase. When it was discussed at the Council level, members asked about a sustainability plan to help smooth out the rates over the next few years. The Council requested 2.5% increase each year to help smooth out rates of the next few years and get some funds to do more capital projects and address the ones that haven't been done over the last several years. The City's infrastructure is older and needs updating.

Mayor Giunta stated that Director Brian Sullivan has been out for a little while and City Manager Milner is answering some questions that he would normally be speaking to.

Leigh Webb, ward 3 resident stated that he had several conversations with Director Sullivan and understand the increasing need to raise the rates due to infrastructure failures. Mr. Webb's question based on his neighbor's comments that over the last 4 years, there have been significant raises but how many years before that, has the City actually raised the rates and do we have a history of rate increases. Maybe they can be spread out over time and be a little less painful. When we are talking about infrastructure that is close to failure, these increases become a necessity. Can we afford not to do the work that is needed? What if a hydrant didn't have water going to it in case of a fire? We are very close to an infrastructure crisis. He concluded by stating that as painful as it is, he is in favor of the increase.

Mayor Giunta asked City Manager Milner if we have a history of the water rate increases by year. Milner replied that we do and on page 15 of the manager's budget proposal is the history of increases for both Water and Sewer and stated that Mr. Webb is correct by stating we maintained the same Water and Sewer rate for about 7 years. Milner stated that the City used some placeholder money being held for the new water facility, toward the water rates so they could stay the same.

Desiree McLaughlin, Franklin resident asked if the 2.5% increase was the increase of the total bill or is it 2.5% for water and another 2.5% for the sewer. City Manager Milner stated that the bill isn't split 50/50 or 2.5% and 2.5% because some people don't have sewer and they are different total amounts. The 2.5% increase applies to the entire bill.

David Therrien heard and asked the Council if monthly, bi-monthly or quarterly billing is being considered. Mayor Giunta stated that he wasn't aware of this and has not discussed this with the City Council. City Manager Milner stated that monthly billing would be difficult to do because of the current staff and availability to administratively create and process monthly billing. It's currently split by ward and manageable to process quarterly billing based on this. Franklin resident stated that he had a conversation with Director Sullivan who said the City was going to start doing this monthly. The Franklin resident wasn't sure if Director Sullivan was just trying to push his buttons and upset him. Franklin resident had questioned the early 1st quarter bill (early by 2-3 weeks) and figured there would be 5 payments for the rest of the year and felt like the residents were getting the short end of the stick.

No further comments from the public.

Public Hearing on Ordinance #01-19 closed at 6:21PM

Open for Public Comments

Annette Andreozzi, ward 3 resident stated as a Choose Franklin board member, she officially requested on behalf of the board to utilize the Opera House on the 4th Monday of September for the Candidate's members meeting. Her second request as she is involved in the Celebrity Waiters Dinner on September 8th, is for 'celebrity waiters' to help serve dinner. Mayor Giunta has committed to being one of the waiters and asked the rest of the City Council if others would volunteer. Stop by the Opera House and let Dan know that you want to join in. Mayor Giunta stated that he has volunteered for the last 15 years and he enjoys it very much.

Leigh Webb, ward 3 resident questioned the language describing 82 Elkins St. and asked if it were truly dilapidated and uninhabitable. He stated that he walked through this building and asked the Council if they have actually walked through it and if they agree on it being dilapidated and uninhabitable. Council responses (could not hear who) said that it was somewhat of both and to certain degrees. Leigh believes that it's still a functioning building. His main reason for mentioning 82 Elkins is that once it is torn down and new construction begins, the City will oversee the practices of new materials and proper disposal of the old possible toxic materials.

Leigh wanted to share some facts regarding the recent Tax Cap discussion at the previous Budget Workshop meeting. Leigh shared a newspaper article from 1996 and discovered that the tax rate was \$27.28 (still under the tax cap) and last year's rate was \$25.56. Surprisingly the actual increase rate

would bring the numbers to about the same. On the flip side of that, Mayor Giunta stated that property values have doubled in some cases.

No further comments from the Public.

Public Comments Session closed at 6:26PM

City Council Acknowledgement

Mayor Giunta shared a Thank You card in response to the City's Welcome card that was given to the new Downtown Franklin business; Driven by Art. Councilor Dzujna delivered the new business the card and flowers. Mayor Giunta thanked Councilor Dzujna for doing the very kind gesture.

Agenda Item I.

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

Motion - Councilor George Dzujna moved that the City Council approve the minutes of the May 9th School Budget Presentation and the minutes of the June 4th City Council Meeting

Seconded by Councilor Paul Trudel

Councilor Steve Barton Abstained.

Discussion: Councilor Ribas request to approve with amended changes he provided.

All in favor. Motion passed.

Agenda Item II.

Monthly School Board update provided by Dan LeGallo. The Schools are quiet and slower pace with the kids not there however the summer programs kick up next week so the hallways will be busy again. Mr. LeGallo introduced two new employees: Jefferson Brayman is the new business administrator and Ken Darsney as the new Middle School Principal. Mr. LeGallo recognized the Mayor and those from the City Council who attended the High School graduation on June 15th. It was a great evening and those who attended did not go unnoticed.

Mr. LeGallo stated that the roof project has been on site and began working since June 21st. The project is moving quickly. He stated that he met with the Energy company (EEI) this morning and the installation of the 5 boilers is moving along (2 are already installed). There will need to be a few power outages at the schools to light the boilers and he will contact Kevin to be sure he's aware. He also stated that the safety projects are moving along as well. Two safety projects were approved and the Governor or Governor's Council will need to sign off on the third round of funding for these. It is a very busy summer with all the projects going on at all three schools this year.

Councilor Dzujna asked Mr. LeGallo if part of the safety projects is to paint the lines at the schools. Mr. LeGallo stated that this is considered routine maintenance, not part of the safety project and the

schools are mainly responsible but may reach out to the City for help. He agreed that it is time to do this.

Agenda Item III.

Mayor's Drug and Alcohol Task Force update by Kayla Bertolino. Kayla stated that the Task Force holds a leadership meeting on the 3rd Tuesday of each month here at City Hall. During the June Leadership meeting, topics discussed were on sustainability and possibly adding a coalition to the calendar so there can be more community involvement. There were monthly coalition meetings in the past and Kayla stated that she'd like to start having them again. Upcoming events were shared: National Night Out and Franklin Area Theatre Shows. The Task force provides a little financial support and runs a quick video before the show start time. She visits with the children during free lunch time at the high school and during the Farmer's Market. Kayla stated that a Task Force table was set up for the Winni River Days event where she spoke with families and handed out a few Task Force items. She stated that she participated in a Youth Health Training Class offered by the Merrimack County Juvenile Services Department and is now Certified to handle a variety of other mental health issues. She is engaging in Coalitions with other communities to discuss the latest struggles our youth is facing such as Vaping. One study recently showed that 37% of 15-24 year olds are uncertain whether Juling/Vaping contains nicotine. They don't understand or know what they are putting in their bodies and ALL Jule products have nicotine in them. She stated that the focus during this summer and fall will be making sure the students and staff, all understand these risks. During the summer, the Task Force will be working closely with school district SAP Christina Lamate from the Office of School Wellness to create a presentation of the use of e-cigarettes and vaping teaching our youth so can then go back out and present to the community the things they have learned. Kayla is also working on partnering with the Franklin Recreational Center and Franklin Boys and Girls club to share ideas on prevention.

Mayor Giunta asked if the Council had any questions for Kayla. Councilor Ribas stated that he was glad the Juling topic has come up and he directed his comments toward Superintendent LeGallo as well, asking them both how prevalent is Juling in our community. Kayla stated that it's happening daily in the bathrooms and is a big problem. Councilor Dzujna stated that some of the names of the flavors (cotton candy, gummi bears, etc.) open the door for very young kids to be attracted and addicted to doing this. Dzujna also commented on sustainability and asked when the funding stops. Kayla responded that it goes to September 2019.

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.

Mayor asked for discussion.

Councilor Dzujna stated that he understands the reasons for the increase due to the City's failing infrastructure however he'd like a meeting with Director of Municipal Services to be held first to look at what is actually needed for repairs and how the cost can possibly be spread out.

Motion - Councilor Dzujna moved that the City Council TABLE the Approval of Ordinance #01-19. Seconded by Councilor Trudel.

By show of hands, all those in favor of TABLING Ordinance #01-19.

4 - Yes

5 - No

Motion to TABLE FAILS

Motion - Councilor Clarenbach moved 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.

Seconded by Councilor Ribas

Mayor Giunta asks for Discussion.

Councilor Desrochers stated that this is not a plan this is just another increase. Franklin residents cannot afford another rate increase. Landlords end up having to cover the extra expenses because renters can't afford it and pretty soon, many homes and apartments will be empty. The rates just keep going up and up. He stated that we have to do better planning. He opposes this type of increase and will not vote for it without a plan.

Councilor Clarenbach spoke directly to Councilor Desrochers stating that he understands his concerns and recognizes that the City's Water & Sewer Infrastructure is in dire conditions. He stated that the Plan that Desrochers is asking for will end up costing the taxpayers even more than this current type of requested increase. Clarenbach shared that it's unfortunate that no-one is speaking to the last 14 years when there was no increase to water whatsoever. The need here is for Franklin to provide adequate drinking water and have water available for Fire Protection. He agreed with Mr. Terrian's comments referring to equalizing labor, equipment, and hydrant use to the general taxpayer. Under the tax cap, we're not going to get the taxpayer to help fund the water use charge for fire hydrants like they do in other communities. There are a lot of pieces to this. He stated that he doesn't see any year when the rates won't go up, even slightly. The cost of everything continuously goes up. Water

conservation is decreasing revenue and why the user fee has increased. He doesn't like the fact that fees have to go up but due to the needs of the City's infrastructure, Clarenbach stated that he supports the Amendment and will vote to increase the Water and Sewer rates.

There were no additional comments from the Council.

Mayor Giunta asked City Manager what her proposals were in the original FY19 Proposed Budget. City Manager replied that the increase for Water was 1.3% (\$6.53) and the Sewer Disposal rate increase was .7% (\$6.96). Mayor Giunta stated that he will VETO the increase as proposed but won't VETO if the City Manager's proposed rates are accepted by the council. Mayor Giunta asked the Council if anyone was willing to make an Amendment to the Motion.

Motion - Councilor Jo Brown to amend the original Motion as stated above and change the Water rate to \$6.53 and Sewer Disposal rates to \$6.96.

Seconded by Councilor Desrochers.

Councilor Ribas asked City Manager Judie Milner if she could speak to how this reduction in the rate increase would affect the work that needs to happen which will not with this change.

City Manager Milner stated that during a recent Budget Workshop, the Council asked for a 2.5% increase to level out the increases over the years instead of up and down over the years. This resulted in a Capital Outlay increase to our Water Fund by \$20,000 and the Sewer Fund by \$24,000. The pressure reduction vault is one of the projects planned with the funds raised from the 2.5% increase. Councilor Ribas stated that the vault is very important and can't support the Amended Motion. Mayor Giunta added that if Director Brian Sullivan were here tonight, he would explain the work that is necessary so because he is not, he doesn't feel comfortable supporting the vote on the higher original amounts.

There were no further comments.

By show of hands, in FAVOR of the Amended Motion as stated above with the change in the Water rate to \$6.53 and Sewer Disposal rate to \$6.96.

5 – Yes

4 – No

Roll Call was then requested.

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>No</u>	Councilor Moquin	<u>No</u>	Councilor Zink	<u>Yes</u>

Amended Motion Passed

Agenda Item V.

City Council to consider disposition of Tax Acquired Property.

City Manager Milner provided some background on 139 Thunder Road and Prescott Street. She stated that she chose these two particular properties due to the City's interest in them. She reviewed the locations and conditions that will need to be met by winning bid purchaser.

Motion - Councilor Ribas moved to authorize the City Manager to dispose of the following properties through a bid process with the minimum bid as shown and conditions of properties as outlined above and to further execute all closing documents required for the conclusion of the referenced sale. Map/Lot# 100-012-00, 139 Thunder Road, recommended minimum bid of \$10,000 and Map/Lot# 095-008-00, Prescott Road, recommended minimum bid of \$2,500.

Seconded by Councilor Trudel

Mayor Giunta asked for any discussion.

Councilor Dzujna wanted to know if the noted parameters need to be stated as part of the motion. City Manager Milner replied stating the Map/Lot# and Property Location are the only requirements for the Motion.

Councilor Ribas commended the City Manager for identifying these properties with potential buyers so the City doesn't have to pay the cost of tearing down these dilapidated structures.

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

Agenda Item VI.

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

City Manager Milner stated that this address is City owned and currently holds CAP and a Diversion Program and one other. The building is old and falling apart. CAP received a CDBG Grant and USDA Grant so the building can be raised and replaced with a modular type building to sit on the same slab foundation. In the summer of 2017, the City Council approved the CDBG Grant and this project with the understanding that a lease would be forthcoming once we knew what their funding would be.

There is a loan portion of the Grant money and a 30 year lease is required in order to move forward. Both Paul Fitzgerald and the CAP Attorney have reviewed and are in agreement with the Lease Agreement between the City of Franklin and CAP.

Motion - Councilor Ribas moved that the Franklin City Council approve the 30 year lease of 82 Elkins Street to the Community Action Program foregoing rental payments 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.

Seconded by Councilor Desrochers

Mayor asked for Discussion.

Councilor Ribas stated that the Juvenile services really want to get back into Franklin due to better location and easier to commute to.

Councilor Zink asked if CAP wanted to move out of the new facility for any reason, are we liable to continue to pay on the lease since we own the property? City Manager Milner stated that there is a document called the Lease Hold Mortgage that will be signed between CAP and USDA that will protect the City from having to pay on the remaining balance of the Lease.

Mayor asked for the vote. By unanimous decision, Motion PASSED.

Agenda Item VII.

There were no updates for the Committee Report Out

City Manager's Update presented by City Manager, Judie Milner.

- 1) City Manager Milner stated that the City received a \$100.00 donation for the tennis backboard from Levin this month.
- 2) Federal Agency Day was held on June 12th. The event was hosted by Mayor Giunta and was well attended. The City of Franklin was given the opportunity to present our biggest ideas in support of our business owners and in turn, the Federal Agencies who attended, provided information on how they can help fund these projects. The river project was walked with the EDA Agent so they could see the project and discuss the plans for this project. EDA is currently funding the permitting and the design.
- 3) Milner stated that she reached out to John Freeman, Doug Hall, Andru Volinsky and John Tobin regarding a school funding Workshop in Franklin similar to the one on June 13th in Pittsfield, and they are very interested so stay tuned for that date.
- 4) On June 25th, Mayor Giunta and City Manager Milner 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 and Well Done to Marty and Todd!

- 5) June 22nd through June 24th was first annual Winni River Days festival which was held downtown and despite the rainy weather, it was very well attended and a big success. Job Well Done to Krystal Alpers.
- 6) Milner stated that Haynes Brook have completed their project, 4 weeks early. There is still some minor paving that can be done fairly quickly.
- 7) Assessing re-evaluations is complete. Letters will be sent out with phone numbers and meeting dates during the end of July. Taxpayers who have questions about the Assessments should contact the Assessing department.
- 8) Milner explained that the Town of Salisbury is about to celebrate their 250 year Anniversary and asked if Franklin would like to participate in their parade. The Parade will be held at 10AM on August 11th. Milner stated that she is planning to dress up and drive her 5 ton in the parade. All councilors are invited to ride or walk. Please arrive by 9:00AM to get situated.
- 9) Milner concluded with the Choose Franklin's request to use the Council Chambers on the 4th Monday of September for the candidates' forum. The Council is fine with Choose Franklin using the Council Chambers on September 24th.

Councilor Desrochers commented on the very bumpy road at Haynes Brook and wondered if there was any grant money left for road repairs. City Manager Milner stated that the City reached its' maximum on the grant money but there is also some road work with the MTIF that hasn't been used and in the very least, Liberty Utilities will come out and smooth out there work. Either way, the City is currently working with the road engineers to get the road fixed at Haynes Brook.

Motion - Councilor Desrochers moved to enter into a non-public session according to RSA 91-A:3, II(I) Consideration of legal advice provided by legal counsel, either in writing or orally, to one or more members of the public body, even where legal counsel is not present. By roll call vote.

Seconded by Councilor Trudel

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>

By unanimous vote, motion passed.

Entered into non-public session at 7:09 PM

Motion made by Councilor Desrochers to enter back into public session.

Seconded by Councilor Trudel.

All in favor. Motion Passed.

Entered into Public Session at 8:07 PM

Amended 11/4/18:

Motion made by Councilor Zink to seal the minutes. Seconded by Councilor Dzujna.

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.

Motion - Councilor Trudel to reconsider the vote that was taken on Thursday June 28th between the City Council and the School Board.

Seconded by Councilor Dzujna.

Mayor asked for Discussion. There was none.

Roll call to reconsider the vote on June 28th:

Councilor Barton	<u>Yes</u>	Councilor Desrochers	<u>Yes</u>	Councilor Ribas	<u>No</u>
Councilor Brown	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Trudel	<u>Yes</u>
Councilor Clarenbach	<u>No</u>	Councilor Moquin	<u>No</u>	Councilor Zink	<u>No</u>

5-Support

4-Oppose

Motion to reconsider vote on June 28th PASSED.

Mayor Giunta clarified that this motion means that we need to go back to square one and review options and find a solution to fund the school deficit.

Motion - Councilor Desrochers to adopt resolution 01-19 for appropriations and Estimated Revenues for the fiscal year 2019, In the year of our lord, two thousand and eighteen. Be it resolved by the Franklin City Council of the City of Franklin of the following appropriation of revenues be made for fiscal year 2018/2019:

Seconded by Councilor Trudel

RESOLUTION #01-19

A resolution relating to Appropriations and Estimated Revenues for Fiscal Year 2019.

In the Year of our Lord, Two Thousand and Eighteen.

THEREFORE, BE IT RESOLVED by The City Council of the City of Franklin that the following appropriations and revenues be made for Fiscal Year 2018-2019:

MUNICIPAL DEPARTMENTS

APPROPRIATIONS:

General Operations (MS-232):

General Government	\$1,683,062
Public Safety	5,733,178
Highways & Streets	1,420,512
Sanitation	823,843
Health	194,462
Welfare	141,402
Culture & Recreation	1,052,604
Conservation & Development	105,000
Debt Service	299,585
Capital Outlay	0
Interfund Operating Transfers Out	347,014
Total General Operations Appropriations	\$11,800,661

Other Funds:

Parks & Recreation Appropriations	\$15,500
Outside Police Detail Appropriations	10,354
Water Appropriations	1,773,460
Sewer Appropriations	1,579,734
Capital Projects Appropriations	1,000,000
Pass Through Grant Appropriations	535,000
Total Municipal Appropriations	<u>\$16,714,709</u>

ESTIMATED REVENUES:

General Operations (MS-434):

City Revenues General Fund	\$4,140,652
Interfund Operating Transfers In	24,292
Local Taxation	7,635,716
Total General Operations Estimated Revenues	\$11,800,660

Other Funds:

Parks & Recreation Estimated Revenues	\$15,500
Outside Police Detail Estimated Revenues	10,354

Water Estimated Revenues	1,773,460
Sewer Estimated Revenues	1,579,734
Capital Projects Estimated Revenues	1,000,000
Pass Through Grant Estimated Revenues	535,000
Total Municipal Estimated Revenues	<u>\$16,714,708</u>

SCHOOL DEPARTMENT

APPROPRIATIONS:

General Operations	\$18,304,901
Food Service	0
Total School Department Appropriations	<u>\$18,304,901</u>

ESTIMATED REVENUES:

General Operations	\$12,561,906
Transfer from City	
Use of Fund Balance	260,000
Transfer from Capital Reserve	149,041
Food Service	0
Local & State Taxation	5,333,954
Total School Estimated Revenues	<u>\$18,304,901</u>

MERRIMACK COUNTY

Estimated Tax to be Raised	\$1,652,070
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INDUSTRIAL PARK TAX INCREMENT FINANCING DISTRICT

Estimated Tax to be Raised	\$41,000
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FRANKLIN FALLS MIXED USE TAX INCREMENT FINANCING DISTRICT

Estimated Tax to be Raised	\$40,082
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VETERAN'S CREDITS

Estimated Tax to be Raised	\$144,825
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OVERLAY

Estimated Tax to be Raised	\$31,000
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Roll Call:

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

Councilor Zink asked City Manager if the Water & Sewer reflects tonight’s numbers. City Manager stated that it did not and she left Council Chambers to retrieve the correct numbers.

Councilor Barton asked the Mayor if the Council was going to vote tonight on this original budget or if the Council is voting on the budget discussed from last week. The Mayor said that a motion was made tonight and seconded to vote on this budget reviewed tonight by Councilor Desrochers. Councilor Barton expressed concern that this was going to be voted on without the public’s understanding. The Mayor stated that the public is present tonight.

Mayor Giunta stated that this budget includes \$207,000 that was moved over and the other \$57,000 that was repurposed outside of their roof account. Councilor Clarenbach stated that this is Judie’s budget plus \$157,000 and there needs to be consideration of the Municipal’s budget to the School but we haven’t had the opportunity to review that with them. Clarenbach stated that due to time constraints this isn’t allowing for enough appropriate time and review since last week’s meeting was looking at breaking the tax cap. Now that we’ve started over, the Council hasn’t had time to review Judie’s budget and we’re doing a disservice to Franklin residents. Councilor Clarenbach further explained that since last Thursday’s meeting when the Council looked at numbers to help fund the school and voted to break the tax cap which met the goal for the school now as we sit here tonight looking at this version of the budget, we have not, as a Council body, had the opportunity to review the Municipal side of the budget. Mayor Giunta responded stating that the Council has had the opportunity to look at the Municipal side.

Councilor Zink requested to set up a public hearing for July 18th first to review this budget resolution before it is voted on.

Motion - Councilor Desrochers moved to AMEND his motion above and request a public hearing on July 18 to review the Proposed Budget as stated above.
The Council accepted the Amended Motion and agreed to set a public hearing on July 18th.

Motion -Councilor Ribas moved to amend the budget to EXEMPT Municipal Debt Service taking \$459,039 from debt service and make it available to the schools.

Mayor Giunta clarified that this essentially breaks the cap, raise the bar for next year and move \$459,039 over to the school. City Manager Milner directed the Council to look at page 58 of the manger's budget. The CPIU amount is 2.1% (\$300,990), pick-ups are \$167,616, plus \$102,222 from the 18th, plus \$459,039 just exempted would give us a % increase from last year of 7.2% in taxes. If looking at CPIU and the debt only, it would increase 5.3%.

Councilor Clarenbach asked for clarification from Mayor Giunta that if the Council voted to table this discussion, due to timing of Public Notice, the City Manager's Budget will automatically default without Public Notice by July 18th. Mayor Giunta replied that yes, it will automatically take affect if there is further delay.

Motion – Councilor Barton moved to TABLE the discussion.

No Second

Councilor Barton requested clarification on whether the Council will have to vote again adding monies back into Debt Services. He asked if that would automatically come out again next year. Mayor Giunta replied stating that it does not automatically come back out. If the Council wants to exempt municipal bonds again next year, the Council would have to vote again next year to break the cap again next year. The amount that Councilor Ribas proposed stays in the budget for next year, it does not come out. It was further clarified that whatever tax rate is voted on this year, it will remain that same rate next year and new vote will need to be made to lower it.

Councilor Clarenbach shared his frustration as the outcome of working together during the June 28th Budget Meeting has gone backwards due to technicalities and legalities. We are trying to unwind the work we all did last week. He stated that we are, once again, kicking the can down the road for another year if the above Resolution moves forward. The Council felt as if progress was being made last week but is now greatly disappointed.

Councilor Barton expressed concern that neither side, School or City are sitting down, looking at percentages, and coming up with a plan. He stated that he feels this is a sneaky way of reviewing this budget. The public needs a chance to review as well. Mayor Giunta stated that we have just about run out of time before the deadline. He also reminded everyone that we have been reviewing this for three months and no-one is sneaking anything by.

Councilor Ribas agreed with Councilor Barton and Councilor Clarenbach stating that motion last week was a majority vote to provide the schools with the money they needed but now looking at, essentially the same motion but \$200,000 less. He stated that he would like approve this motion and then immediately motion to start next year's budget minus the \$459,000 before negotiations regarding what the tax cap would be. Mayor Giunta responded that a motion can't be made that binds next year's Council.

Councilor Dzujna stated that both sides need to sit down right away next year and talk about how to collaborate and where both sides can save. He believes that if we break the tax cap, it won't come

back down and every year we'll keep breaking it. He stated that he doesn't want to see this ride on the backs of the people especially the seniors who can't afford higher taxes.

Roll call on the Amended Motion above

Councilor Barton	<u>Yes</u>	Councilor Desrochers	<u>No</u>	Councilor Ribas	<u>Yes</u>
Councilor Brown	<u>No</u>	Councilor Dzujna	<u>No</u>	Councilor Trudel	<u>No</u>
Councilor Clarenbach	<u>Yes</u>	Councilor Moquin	<u>Yes</u>	Councilor Zink	<u>Yes</u>

Amended Motion Fails (2/3rd Council needed to Pass)

Motion - Councilor Zink moved to move \$99,297 to the school and not purchase or lease any new vehicles this year.

Seconded by Councilor Moquin

City Manager Milner stated that this number includes vehicles that we already have or in process of making payments on.

Motion - Councilor Zink moved to AMEND previous motion to move \$16,500 to the schools and not purchase a new vehicle next year.

Seconded by Councilor Moquin

No further discussion.

Mayor Giunta asked for a raise of hands in favor of no new vehicles next year.

6 – Support

3 – Opposed

Motion Passed

Motion - Councilor Zink moved to amend previous motion and include No COLA/raises for City Employees this year shifting \$79,628 to the schools.

Seconded by Councilor Clarenbach

City Manager Milner stated the background on the COLA. This year union contracts were voted for the school district with teachers receiving 3% increases. A pay study was done almost 5 budget cycles ago and other than department heads; no-one is at the paying class they should be. Some are \$4-\$5 dollars off. She stated that she reviewed teacher's average salaries from the DOE website and placed that onto the City's wage scale. Only 6 other City employees make more than a teacher; the MSD Director, the Fire Chief, the Police Chief, the City Manager, the Finance Director, and the Planning and Zoning Director. People earning less than our teacher's salaries: Police Sergeants who supervise

employees, Fire Captains who supervise employees, the Parks and Rec Director, the City Clerk/Tax collector, the Library Director. Milner made clear that she believes teachers are underpaid in the first place. Everyone in this City is underpaid and does not want to balance this budget on the backs of the City's employees either.

Councilor Clarenbach questioned the City employees receiving 100% health care and is difficult to continue each year. Milner responded stating that she requested the school's health care costs but hasn't received it yet however, she believes that the amount the school pays for their employees is close to or more than what the City pays for theirs.

Councilor Desrochers stated that a study was done a few years back and employees chose to keep their health benefits in tact as opposed to receiving salary increases. Other departments are receiving raises. He suggested one way to save money is to plow the streets only from 9-5 instead of overnight but it would add to snow days.

Councilor Zink stated that she didn't make this motion lightly. City employees work hard and deserve raises. Our options are very limited. Cut the City Budget or not shift money to the school and suffer consequences from that. She stated that she prefers to raise taxes and that it equates to an increase on her taxes of \$2.00 per week. But that motion failed so we're down to looking at cuts. The State cut the school's budget not the City but the City has to find the 4% loss to replace that.

Roll call vote on no COLA

Councilor Barton	<u>Abstain</u>	Councilor Desrochers	<u>No</u>	Councilor Ribas	<u>Yes</u>
Councilor Brown	<u>No</u>	Councilor Dzujna	<u>No</u>	Councilor Trudel	<u>No</u>
Councilor Clarenbach	<u>Yes</u>	Councilor Moquin	<u>Yes</u>	Councilor Zink	<u>Yes</u>

Tie Vote – Mayor Giunta exercises NO vote.

Motion fails

Councilor Zink asked for clarification in the Manager's budget for \$60,000 and \$30,000 under contingencies. City Manager Milner stated that the \$60,000 line is offset with \$60,000 of revenue. The donated services and in-kind donations of the Mayor's Drug Task Force are recorded this way. The Grant Agency there is the Federal Health and Services which is required by them to see this line item in the budget. The offsetting revenue can be found on page 66. Contingent Grant Revenue are smaller grants that would cost more than the grant money to place an ad in the paper to appropriate the money.

**Motion – Councilor Moquin moved to reduce the Investigation Education Professional Development by \$3,000 and move these funds to the school.
Seconded by Ribas**

City Manager Milner referenced page 102 of the proposed budget. The item in question is to pay for the City Prosecutor's Law License and also used for our police detective's required training and investigative supplies.

Councilor Dzujna asked City Manager Milner if this reduction would hinder the detectives. Milner replied that Chief Goldstein had mentioned that cuts to training would cause problems because the training deadlines are here and now.

Roll call

Councilor Barton	<u>No</u>	Councilor Desrochers	<u>No</u>	Councilor Ribas	<u>Yes</u>
Councilor Brown	<u>No</u>	Councilor Dzujna	<u>No</u>	Councilor Trudel	<u>No</u>
Councilor Clarenbach	<u>No</u>	Councilor Moquin	<u>Yes</u>	Councilor Zink	<u>Yes</u>

Motion FAILS

Councilor Zink referred to page 106 of the Manager's budget.

Motion – Councilor Zink moved to no new fence or cameras and shift \$15,413 from the budget to the schools.

Seconded by Councilor Moquin

City Manager Milner stated that these items are needed at the Police Department as our impound lot has been broken into quite a few times this year which jeopardizes evidence and affects the prosecution process. Councilor Clarenbach suggests that we not pick apart line items in a department rather suggest a % cut from a particular department and let them decide where to assess and adjust.

Councilor Dzujna requested clarification on the amount of the gap we are looking to fill. He stated that we need both boards at the table and look at cuts on both sides. Councilor Clarenbach stated that Mayor Giunta made a promise to get us as close to \$400,000 as possible. We have already found \$207,000 so another \$150,000-\$200,000 is what he is hoping for.

Councilor Desrochers stated that if Debt Service Bonds are eliminated, that gives them \$459,039. That equates to \$.83 per thousand tax increase. He asked firmly, why are we not doing this? We can't keep going like this with-out an end in sight. We have no other options. Mayor Giunta replied that this would mean breaking the tax cap.

Councilor Zink withdrew her motion to move the fence and camera maintenance money.

Mayor Giunta offered a suggestion of utilizing the assessed value of \$100,000 that Eversource gave us. City Manager Milner is very conservative and didn't want to add this into the budget. There's a very small chance this could go up for abatement. But time has lapsed and we don't believe they would do that. Mayor Giunta stated to take the other \$100,000 out of fund balance and finish this. Mayor Giunta is not in support of breaking the tax cap. It has been in place for the last 30 years.

Motion – Councilor Ribas moved to take \$250,000 from Fund Balance and make it available to the school.

Mayor Giunta stated that Fund Balance is so critical and would feel better if the assessed value money was used instead. Councilor Ribas responded stating that he'd rather support using money that we know we have and if we end up getting the \$100,000 from Eversource, then put that money back into Fund Balance.

Councilor Dzujna commented on using the \$250,000 for the City-wide Survey and asked if that would now be eliminated if we move this money from the Fund Balance to the school. City Manager Milner stated that the survey would be one-time expenditure and easier to explain to Moody's especially if we are moving toward a City-wide Efficiency Study that will show us future savings; forward thinking. She stated that she would like a plan in place on how to replace the money.

Mayor Giunta asked for City Manager Milner's opinion on if it is better to take the \$250,000 all from Fund Balance or utilize the \$100,000 from Eversource. Milner stated that would feel better to take the anticipated money from the Eversource and then look at Fund Balance if needed.

Councilor Brown requested the amount that would move to the schools if we do this instead of breaking the tax cap. City Manager Milner stated that the total amount moved to the school would be \$422,722.

**Motion – Councilor Clarenbach moved to amend motion and move \$147,760 from Fund Balance, and also use the \$102,240 pick-ups from Eversource.
Seconded by Councilor Desrochers**

City Manager Milner reviewed the breakdown of the funds moving to the school: Pick-ups from Eversource from the 6/18/18 meeting of \$102,240, the anticipated assessment from Eversource of \$102,240, Fund Balance of \$147,760, transfer from Capital Reserve of \$54,982, lease payment not to be utilized is \$16,500. **Total is \$422,722.**

Councilor Clarenbach stated that the \$102,240 x2 would come back to the school again next year. The other money would not be going back to the school next year. He stated that we are not out of the hole and lots of work needs to happen to plan for next year.

**8 in favor of the Amendment
1 opposed
Motion Passed**

Mayor Giunta stressed that we found this money without breaking the Cap.

Back to the original Motion to hold a public hearing on July 18th on this amended budget.

**All in favor
Motion passed.**

The City Manager will update the Resolution – Mayor Giunta honored a recess for 5 minutes.

Motion – Councilor Zink moved to amend her motion of Fire Department to not be specific on where the \$16,500 would be reduced and allow it to be assessed and reduced from the Fire Departments budget at the Fire Chief’s discretion.

Seconded by Councilor Ribas.

Mayor Giunta requested that Councilor Desrochers motion from his original motion with the adjustments that Judie just reviewed. Then we’ll return with reconsideration on just the one \$16,500 not to be used for lease payments or cars but to be reduced by the Fire Departments budget.

The updated Resolution 01-19 is as follows:

A resolution relating to Appropriations and Estimated Revenues for Fiscal Year 2019.

In the Year of our Lord, Two Thousand and Eighteen.

THEREFORE, BE IT RESOLVED by The City Council of the City of Franklin that the following appropriations and revenues be made for Fiscal Year 2018-2019:

MUNICIPAL DEPARTMENTS

APPROPRIATIONS:

General Operations (MS-232):

General Government	\$1,683,062
Public Safety	5,716,678
Highways & Streets	1,420,512
Sanitation	823,843
Health	194,462
Welfare	141,402
Culture & Recreation	1,052,604
Conservation & Development	105,000
Debt Service	299,585
Capital Outlay	0
Interfund Operating Transfers Out	347,014
Transfer to School District	164,260
Total General Operations Appropriations	<u>\$11,948,420</u>

Other Funds:

Parks & Recreation Appropriations	\$15,500
Outside Police Detail Appropriations	10,354
Water Appropriations	1,773,460
Sewer Appropriations	1,579,734
Capital Projects Appropriations	1,000,000
Pass Through Grant Appropriations	535,000
Total Municipal Appropriations	<u>\$16,862,468</u>

ESTIMATED REVENUES:

General Operations (MS-434):

City Revenues General Fund	\$4,140,652
Use of Fund Balance	\$147,760
Interfund Operating Transfers In	24,292
Local Taxation	7,635,716
Total General Operations Estimated Revenues	<u>\$11,948,420</u>

Other Funds:

Parks & Recreation Estimated Revenues	\$15,500
Outside Police Detail Estimated Revenues	10,354
Water Estimated Revenues	1,773,460
Sewer Estimated Revenues	1,579,734
Capital Projects Estimated Revenues	1,000,000
Pass Through Grant Estimated Revenues	535,000
Total Municipal Estimated Revenues	<u>\$16,862,468</u>

SCHOOL DEPARTMENT

APPROPRIATIONS:

General Operations	\$18,571,401
Food Service	0
Total School Department Appropriations	<u>\$18,571,401</u>

ESTIMATED REVENUES:

General Operations	\$12,561,906
Transfer from Municipal	164,260
Use of Fund Balance	260,000
Transfer from Capital Reserve	149,041
Food Service	0

Local & State Taxation	5,436,194
Total School Estimated Revenues	<u>\$18,571,401</u>

MERRIMACK COUNTY

Estimated Tax to be Raised	\$1,652,070
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INDUSTRIAL PARK TAX INCREMENT FINANCING DISTRICT

Estimated Tax to be Raised	\$41,000
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FRANKLIN FALLS MIXED USE TAX INCREMENT FINANCING DISTRICT

Estimated Tax to be Raised	\$40,082
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**VETERAN'S
CREDITS**

Estimated Tax to be Raised	\$144,825
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OVERLAY

Estimated Tax to be Raised	\$31,000
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**Motion - Councilor Desrochers moved to accept the changes as shown
Seconded by Councilor Dzujna**

Other Business

Set Public Hearing on Resolution #01-19

All in favor. Motion Passed

Councilor Clarenbach stated that joint school and City Council meetings start as soon as possible in September.

**Motion to Adjourn made by Councilor Zink
Seconded by Councilor Ribas**

Meeting Adjourned at 9:54PM

Respectfully Submitted,

Audrey Lanzillo