



Approved as amended by the City Council on January 7, 2019

**City Council FY 19 Budget Workshop Minutes**  
**6:00PM – Council Chambers**  
**June 6, 2018**

**Call to Order**

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

**In Attendance**

Mayor Giunta, Councilor Clarenbach, Councilor Barton, Councilor Brown, Councilor Moquin, Councilor Trudel, Councilor Zink (arrived at 7:30p.m.), Councilor Dzujna, and Councilor Desrochers.

*Absent: Councilor Ribas*

**Others in attendance**

City Manager Judie Milner

Salute to the Flag was led by Councilor Trudel

Councilor Desrochers addressed the public and the Council mentioning that today is nearing the 100<sup>th</sup> anniversary of D-Day and asked for a moment of silence to understand why those died on the shores of Normandy and to also think about what we have because of them.

**Library Budget**

The Council turned to page 147 to review the Library Budget discussion.

Councilor Dzujna thanked the Library for all the work that they've done. Their dedication is obvious to our community. He stated that even though they had to close for one day each week, they still do a great job.

Angela Sweat explained that the Library has started a new cookbook club and all are welcome to join. They meet the 3<sup>rd</sup> Tuesday of each month at 6PM at the Library.

Director Rob Sargent stated that there is a decrease in the Salary line due to a previous person employed for 30 years who retired. The replacement was hired at a lower rate.

There were no further comments from the Council.

**Planning and Zoning**

The Council turned to page 92 and Director Richard Lewis began review of his budget. He stated that Cheryl Fischer is a great administrative assistant and assists handling their very busy office extremely well. His office deals with many things and picks up slack from Assessing. There will be much development in the coming months. Budget expenditures have been the same year over year. There was some increase which is mainly due to medical insurance which is out of the department's control. He also stated that Avitar is being used as the new assessing tool. There was also an increase in postage due to unexpected mailings mostly related to projects and abutters of where these projects

are located and the department needs to purchase Land Use books every year that contain the latest statutes and Land Use cases.

Councilor Desrochers asked Director Lewis how much are we spending on postage for abutters. He further explained the reason he asked is because if people are asking for an abatements, why isn't the cost added into the abatement. Director Lewis responded explaining that part of the standard \$100 application fee includes the legal advertisement and general administrative fees. An additional charge is passed on to the abutters for preparation of documents and mailing etc.

There were no further questions from the Council.

### **Welfare**

The Council turned to page 127 for review of the Welfare Budget. Director Sherry Ryea began with administrative costs which remained the same. Fewer vouchers were provided mostly due to people coming in but not qualifying.

Councilor Brown commented and wondered if the requirements changed or maybe we are not helping as much or do they literally not qualify. Director Ryea explained that she is diligent and very resourceful to assist where we may not have to expend necessarily.

Mayor Giunta added that this drop in voucher expenditures may also be due to the very low unemployment rate. Director Ryea also stated that there are some guidelines to receiving vouchers and one is that they are actively seeking employment.

Director Ryea stated one concern is that of burial and cremation costs that are rising. Councilor Desrochers mentioned that Social Security provides a small amount money for burials. He wondered who recoups that money. Director Ryea responded that individuals that she helps aren't eligible for this benefit from social security.

Councilor Clarenbach shared that trends in rent vouchers over the past few years has gone down and he thought that we had to provide a certain dollar amount of assistance no matter what. City Manager Milner stated that when she came on board with the City, a quarter of a million dollars of assistance in the Welfare budget was provided and through diligence and being resourceful directing people to other means of assistance, our expenditure is now \$78,000. Councilor Clarenbach further mentioned that if people qualify, we have to help them no matter how much is budgeted. We'll have to find the money from another line. He concluded by pointing out that if we are budgeting money that we're not using, it should be moved to another area. City Manager Milner replied that it is a bit of a guessing game and any left over money can and has been used in other areas.

Mayor Giunta commended Director Ryea on her difficult work and mentioned that she could possibly speak with a representative from HUD during next week's Federal Agency Day and ask about the money people may be entitled to for burials.

There were no further comments or questions from the Council.

#### **City Clerk/Tax Collector**

Council turned to 84. City Clerk Gargano stated there's an increase in vehicle registrations, dog registrations, and vital records. Water bills and property taxes were level. Expenditures for professional development went up slightly due to a once every five year training class that was needed this year. The Copy machine lease agreement ended so there was a brand new copier purchased for the City Clerk's office. Membership fees for one of the organizations had risen slightly. She stated that there was no increase for postage or registry fees. Under Books and Publications, there shows a book purchase that has current values for RVs, trailers, and campers so the proper fee amounts can be collected. She concluded with Election Fees show an increase due to having three elections this year where there was only one last year.

Mayor Giunta stated that the Clerk's office is a well-oiled machine and everyone is doing awesome.

There were no further comments or questions for Katie.

#### **Parks and Recreation**

Director Krystal Alpers provided the supporting information for her department starting with wages on page 133 under Summer Recreation. There is an increase due to the addition of two new camp counselors. She stated the reason for adding the councilors is because there are a larger number of children signing up than in the past years and also behaviors present require certain attention. The pay for the councilors is offset by the fees paid to enroll the children so there is no increase in expenditures however if additional busses and things like this are needed in the future, a different approach may need to be considered.

Basketball Officials under contracted services is being increased to \$7k. This will help keep and attract these refs where they were going to other towns because they paid them more per game.

Director Alpers explained that she allocated some money to fund of a couple of new projects. Two extra cameras are needed at the Bessie Rowell Community Center. One camera will be placed in the main office and the other in the main entry way. These will tie into the existing system. The other project is to do some repairs to the existing gym floor. She concluded stating that Professional Development and Background checks were low.

Councilor Moquin asked Director Alpers with regards to the increase in addressing behavior issues with children is she or her staff able to access any psychological type training through use of the school system. Director Alpers replied that through the 21<sup>st</sup> Century Grant, she is able to have dialog with the school teachers and discuss a plan for a child as long as the parent approves. Director Alpers has taken CPI (Crisis Prevention Intervention) training. This mainly teaches escalation tactics. Director Alpers mentioned that she has reached out to the school on having 1 on 1 type training but that isn't an option at the present time. Councilor Barton suggested reaching out to a place called Community Bridges because it can help address the team work needed within communities. Councilor Dzujna

asked what year of the 21<sup>st</sup> Century Grant she is in. Director Alpers replied that she is going into the second year of the grant. Year 4 and 5 are not fully funded. Year 4 is funded 75% and year 5 is 55%.

There were no further questions or comments for Director Alpers.

### **Finance**

City manager Judie Milner stated that this is a very busy time for the Finance Office. The position for a new Finance Director went back out. She directed the Council to turn to page 89 under Salaries and Benefits. The COLA increase, health and dental, and Workman's comp increases are also included in this budget. Other than those increases, the Finance Department is level funded this year. Councilor Dzujna asked Milner how the new Finance Director will be budgeted and she replied that she budgeted the salary as the same as when she left the position. A wage study was done and she believes it is in the correct pay range.

Councilor Barton asked City Manager Milner why there are zeros and letters under Assessing Software. She responded that the chart is in Excel and there is a formula running in that spreadsheet/ so that particular cell won't divide by zero. It's "from" zero changing "to" zero. The City is moving onto the Avitar software this year and as part of our revaluation process so we will no longer need to pay that additional software cost for the CLT old system.

The increase in wages in Assessing is more than the COLA piece because the new Assessing Technician has chosen the health insurance buy back and that shows up in the Wage line. She added that Assessing is level funded.

City Manager Milner stated that we are in year 2 of the Avitar contract. The re-evaluation cost, the conversion cost, and the assessing cost are altogether in one contract and split over three years so the City is level funded for the next three years. Avitar should be complete with re-assessments on Friday. While they were on the field, they found situations where people didn't get permits that they should have gone for. A pick-up conversation will be occurring on this. Eversource will also be part of this conversation because she stated that she did not pick up that other piece in case they fight her abatement rejection. Councilor Dzujna asked City Manager Milner if Avitar provided a list of those people and Milner replied yes they can see what we haven't picked up before so we can capture that but we can't pick up the change in value as part of the tax cap formula. There will be two pieces to it.

City Manager Milner shifted back to General Government on page 82. Milner stated that the NHMA dues increased this year. Councilor Dzujna asked if they would help with the Claremont issue and Milner replied that they keep a neutral position on things like this.

City Manager's office shows a decrease in the wage line. This is because of the 5% increase budgeted for the City Manager in FY18 but since the previous City Manager Dragon knew she was leaving, she didn't take the increase. The Executive Secretary, Audrey Lanzillo came in a slightly less than what Lauraine was making due to her length of time in that role before she transferred. She continued with our USDA Role Technical Assistant, Niel Cannon, funded with a grant and we just applied for another USDA grant however the focus is now the Mill City Park Executive Director Marty Parichand. We need

these funds to pay Marty so he can continue to direct this project and the other grants coming in for the park. The appropriation is not in the budget yet as the grant hasn't been approved but it looks promising that we'll get it so when we do, it will be appropriated.

Health and Dental is the same and why we have a decrease in Assessing. Lauraine is on the buy back and there is a change in benefits with new employees. Open enrollment is happening now so Judie is moving some money around and will present on those changes next week. There's a large decrease in the Retirement Line due to Deferred Compensation in the previous City Manager's budget but not in the current City Manager's Budget. That line only consists of the NH State Retirement now.

City Manager Milner discussed the Nuisance Abatement line. The City is hanging onto certain property much too long and some becoming hot spots for the homeless so \$80k is set aside for this line for FY19. The \$89k from last year, \$69k of that was from the insurance proceeds from 31 Church Street (that wasn't the original appropriation for that line). The Manager's Contingency looks like there is a large decrease but what it really is showing in part when the Council put the pick-ups from last year in the Manager's Contingency line then at a later meeting, we voted for regrades for Fire and the Parks and Recreation Director. The appropriation is sitting in this line as a bottom line budget and the actual payments to Fire and Parks and the Parks and Rec Director are now in the proper wage lines for FY19.

Councilor Dzujna asked City Manager Milner if the USDA Grant would be going toward the Mill City Park project (Marty Parichand) and Milner responded that yes it would be. Councilor Dzujna asked if \$50k was the typical amount requested for this type of Grant because when we asked again, we only received \$30k. Milner replied that the original \$50k that we received was not typical of the usual amount awarded. It was approved for that amount because they really believe in what the City is trying to accomplish. The second time the City applied for it was during a competitive time and because we applied for the same position, we got fewer points. Milner further explained that this time around, we changed the position and requested \$30k.

Mayor Giunta interjected to promote Federal Agency Forum Day on 6/12/18 and discuss this funding need on the new position with the Director of the USDA who should be attending Forum on that day. City Manager Milner stated that Congresswoman Annie Kuster is in support of this grant for us as well. It will also be great to have our local bank President and CEO, Ron Magoon, show his support and come in to speak at the Forum as well. Ron will be MC'ing. It will be great for everyone to hear how much the bank believes in this project for the City, so much so that they gave us a quarter of a million dollars to help fund it.

City Manager moved on to discuss our IT Software Maintenance line which increased due to our new fiber internet network connection. It's been a fantastic change showing an increase in productivity. She continued stating the Professional Services is level funded. We will need new PCs next year and our agreement with IT will allow the cost to be level over 5 years however \$4k is needed and a request will be coming soon to Council to ask for an appropriation for this funding.

Milner continued with our Legal Services Line which hasn't needed to be adjusted for many years and stated that Paul Fitzgerald has been amazing and agreed to hold that line to stay the same for a 10<sup>th</sup> year in a row. Mayor Giunta asked to forward a special thank you to Paul on behalf of the entire City Council.

She moved to the Equipment Leasing Line, which has decreased. And Advertising and Supplies have stayed the same. Outside Agencies will be discussed on Monday night.

Milner then discussed the Economic Development section starting with the increase in FBIDC. As mentioned earlier in the meeting, the USDA doesn't approve the same amount of money for the same type of position. She added that Niel Cannon has brought in over a million dollars of funding to the City's projects and will likely triple that with the Chinberg Project. Milner stated that it's important to include him in the budget because we can't find another grant to fund him. Therefore, \$50k is a new line in the budget to keep Niel Cannon. We are working on a section on the City's website for project updates where we will be uploading videos of Niel and others to explain the exciting things that will be happening in our downtown. There are great videos from Ron Lagoon, Jo Brown, the company from Colorado, and many others that people can click on to watch an explanation and visuals of what is being planned for our City. Chris Kontoes is helping the City create some of these positive videos which will help change our image. Milner stated that \$5k is set aside for Mr. Kontoes so he can continue creating these great videos for the City.

Jim Aberg and Niel Cannon have been working tirelessly for the City and haven't asked for an increase since City Manager and previous Finance Director Judie Milner has worked for the City so she increased this line \$5k because it's important for the City to continue to work with these dedicated individuals. Milner stated that she made some adjustments in other areas to pull together this money for them.

Milner continued next with the Debt Service line. The change for this year is all capital related leases, notes and bonds are now showing up in our Debt Services section and that she pulled them out of the department level so we can see what our total debt is for capital. When you look at the Ambulance line, we are on our seventh payment and it is now in the Debt Services area where it was under the Fire Department previously. The roads bond was always here. Also moved here is the Fire Engine, the Fiber Connectivity Project. Interest relating to the Bonds and Notes are also part of this section. Capital Leases for the cruiser replacements will now be here. We don't have any new cruiser replacements budget for FY19 but we're paying on the ones we currently have. Capital Outlay is zeroed out to allow to stay under the tax cap.

She turned to page 141 Transfers and Special Revenue Funds. The Conservation Fund is level funded. The Library will utilize City employed part-time cleaners and will save money due to the cost sharing that had previously been done with the Library for the Cleaning Contract that has ended. Transfer in from the Library will include this cleaning service savings. In the Capital Reserve Funds, every year we utilize \$20K (\$5K is set aside for each of the agencies). \$15K is on the Revenue side is being brought in so our NET that we transfer over to the Bessie Rowell is \$5K.

Municipal Buildings shows the placeholder for the Bond for the Police Department and the Fire Station that expire this year. The Bond is \$100K and the State of NH paid half of that which is on the Revenue side and zeros out this year. So Finance kept our portion as a placeholder. The City may have to go out for a Bridge Bond for Daniel's Bridge. Also, Central Street needs repairs so between these two projects; the City is trying to hold this Bond for that work.

City Manager Milner moved to page 141-142 to review the Overlay section. This is utilized for requested Abatements. The City has allocated \$31K previously and it has remained level mostly. She did not increase this for the Eversource abatement. Milner stated that she didn't put in their new pick-up for this year. Their idea of depreciation and the City's number match so she didn't expect any issues on this however there will be a discussion with Eversource in the fall.

The Veteran Exemptions were considered an increase to include all wars at an estimated increase of approximately \$100K but the City couldn't fund that increase this year so the City is looking into only keeping the wars that are currently funded and just make an adjustment to these only. RSA may not allow this so the City is trying to look for these extra funds to accommodate this increase if it occurs.

Milner continued on to the TIF District pick-up for Catch Housing. This line is at the minimum and could increase based on the taxes calculated off their income statement. The other TIF increment is from the Industrial Park. They show together in the budget however are separated in the Financial Statement. Councilor Clarenbach stated that it would be better to separate the two in the budget as well and Milner replied that she could do that if the Council wishes. The Council consensus was to separate.

The County had a .5% increase in their taxes this year however we do not know what their Equalized Valuation is and won't know what our portion is until September 1<sup>st</sup>. Milner stated that this concluded the General Fund Budget.

Mayor Giunta stated that with respect to Niel Cannon, the funding of this project should be an important discussion on Federal Agency Day. Councilor Dzujna thanked City Manager Milner for doing a wonderful job explaining the budget and he added that he believes that Niel Cannon likely brought in more than 1M. He also added that FBIDC has been doing a tremendous amount of work especially with Todd Workman's quarterly Goals meeting. Milner responded to Councilor Dzujna's comments stating that the City works very well with FBIDC and that we're a team where each individual brings their own strengths to the work we are doing together.

Milner explained the meeting and speakers scheduled for next Tuesday June 12<sup>th</sup>. There will be a focus on the key projects reflective of our City's Mission as a recreation City. Marty Parichand will present Mill City Park, Tod and PCL, then Dick Lewis and Jeff Haze from Lakes Region Planning Commission to discuss the transportation piece.

Councilor Dzujna mentioned the need for a Traffic Flow discussion. He referenced that approximately 21K vehicles drive through our downtown every day and during the Drug Take Back Day, the traffic was backed up from South Willow Hill down to RT. 3 past the bridge due to an estate sale off of

Willow Hill. People who don't know the Franklin roads did not know the other roads to drive around the back up.

Mayor Giunta asked if there were any more comments or discussion. City Manager Milner stated that Chief Lachapelle requests the Council consider the Public/Private partnership that the Chief discussed during his budget review and request was made to allow for those providing financial support have their names on decals be added to our ambulances. Consensus of the Council is to allow for this type of recognition from the Public/Private supporters.

City Manager Milner reviewed a list of items needed for the next Budget Review Meeting scheduled for June 11<sup>th</sup>. Milner will provide numbers for a 2.5% increase for Water and Sewer, 50/50 local tax split, a Continuing Appropriation Resolution, Ordinances for the Water and Sewer increases, an Ordinance for the General Fund fee changes, the Budget Resolution, move Councilor Zink's salary to the School District, Food service into the General Fund, adding a chart showing the percentage of the Winni River Basin Program of the Sewer Budget, making a change in the Mayor's Drug Task Force to show the correct Federal years to 8 & 9 for FY19, updating the year to show 2 of 3 of the Avitar Contract, and Split the TIF Districts out.

Councilor Moquin asked if the school wants the 50/50 split or only to get them to the 4% needed. Since eventually the City intends to get close to or equal to 50/50, there was a discussion on which numbers City Manager Milner should display for the next budget meeting. Councilor Zink added that if we looked at a 50/50 split, 3M would be added to their budget. She believes they are currently only looking to see what the split would be to get them out of the \$885k hole they are in. She added that maybe we look at 40/60 of Tax Revenue not Pick-up and then move it up 2% each year to get to the 50/50 so it's not all done at once.

Councilor Clarenbach asked the Council to challenge the School Board because we need to understand what the problem is. The City can't keep finding money if there is no plan for some kind of a change. We can't continue to operate status quo.

Councilor Desrochers stated that the school won't change anything but we can't keep going down this same road. The school is bringing this onto themselves.

Councilor Dzujna stated that he is in support of a 50/50 split.

Councilor Trudel added that we could probably find a solution but we can't do it alone and must work together and collaborate with the school or next year will be worse. He suggested we do a SWAT Analysis and do something meaningful to look at the issues.

Councilor Moquin stated that we should discuss a moderate increase for the school. We can't control the mandated laws. Ask the school to present their financial bare bones needs and ask for a plan. However, she stated that we have a responsibility to fully fund the school.

Councilor Clarenbach stated that there is a disconnect and there needs to be some kind of an education movement to better manage the funding of the schools. We should not break the tax cap just to stay status quo. They show a loss every year and operate in crisis mode. He stated that we should not just keep throwing money at the problem. He added that we should look at what we are legally obligated to do.

Mayor Giunta stated that many people came up to the podium and continue to blame the Council. He stated that he provided ideas to the School Board but none were even considered. The City can't write their plan for them.

Councilor Dzujna stated that there are a number of teachers leaving because they didn't have the proper leadership so it's not all because of funding.

Councilor Desrochers added that the Cafeteria losses \$20k each year but does nothing about it. The City is just throwing money at the problem and without an improvement plan, the City should keep funding this problem and bleeding out. He continued that people will die if we cut emergency services. Fires will be left burning and complete loss of homes will increase. The consequences of City cuts are too high. This is the State's fault. They reported a 100M surplus but our City and other communities didn't see any of that money.

Councilor Barton agreed that the School Board needs to create a plan and look at where there will be money saved in the long run.

Councilor Brown provided the Council with some ideas stating that we are too close to the Budget. This is an opportunity for the School and the City to get creative and convert to a non-traditional education system. She stated that she spoke to numerous people on this and offered to have some kind of open forum for the City to present their ideas. We can help the students get a good education and prepare them for employment but we have to work together. Balance is needed. We can't just raise taxes without the school showing some kind of strategic plan.

Mayor Giunta stated that he will veto any type of tax break. He stated that there must be meaningful discussions together with the School board.

**Motion - Councilor Desrochers moved to enter into a Non-public Session according to RSA 91-A:3, II(c), Matters which, if discussed in public would likely affect adversely the reputation of any person other than a member of this board, unless such person requests an open meeting. This exemption shall extend to include any application for assistance for or tax abatement or waiver of a fee, fine or other levy, if based on inability to pay or poverty of the applicant.  
Seconded by Councilor Trudel.**

**Roll Call:**

Councilor Barton	<u>Yes</u>	Councilor Desrochers	<u>Yes</u>	Councilor Ribas	<u>Absent</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 to enter into Non-Public. Motion PASSED.**

**Entered into Non-public at 8:30PM**

**Motion to leave Non-Public and return to Public Session was made by Councilor Desrochers.  
Seconded by Councilor Trudel.  
All in Favor. Motion PASSED.**

**Councilor Barton exited the non-public and entire remainder of the meeting at 8:39PM**

**Returned to Public Session at 9:00PM**

**Motion to seal the minutes was made by Councilor Clarenbach because it is determined that  
divulgence of this information likely would affect adversely the reputation of any person  
other than a member of this board.  
Seconded by Councilor Dzujna.**

**Roll Call:**

Councilor Barton	<u>Absent</u>	Councilor Desrochers	<u>Yes</u>	Councilor Ribas	<u>Absent</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 to adjourn made by Councilor Trudel. Seconded by Councilor Brown.**

**All in Favor Motion PASSED.**

**Meeting adjourned at 9:00PM**

Respectfully Submitted,

Audrey Lanzillo