



City Council Budget Workshop Meeting Tuesday, June 13, 2017

Call to Order

Interim Mayor/Councilor Clarenbach called the meeting to order in the Council Chambers, Franklin City Hall at 6:00 p.m.

In Attendance

Councilor Ribas, Councilor Moquin, Councilor Barton, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon and Interim Mayor/Councilor Clarenbach.

Absent

Councilor Desrochers, Councilor Giunta.

Salute to the Flag was led by Finance Director Milner.

I. WELFARE DEPARTMENT page 124 – 4.1% INCREASE

City Manager Dragon stated the new Welfare Director Sherry Ryea has been with the city for six (6) months.

City Manager Dragon stated that welfare has been trending downward and we have done well over the last few years. This trend has a lot to do with the economy, state and federal programs and the availability of assistance elsewhere. The change in the rental assistance policy back in 2013 has allowed for the expenses to drop as well.

Director Ryea reiterated that the flexibility in spending has a lot to do with what is happening with assistance. The department is a rollercoaster and you never know what it is going to do.

City Manager Dragon stated Director Ryea has done a good job as when she came to the office it was in such disarray, files missing and trying to locate certain things. She stated Finance Director Milner fills in for the Welfare Director when she is not in and she doesn't have to fill in like she used to with Director Ryea on board.

City Manager Dragon stated that the only real increase has to do with salary and benefits.

Councilor Dzujna asked if the volatility and changes is because of the amount of people that move in and out. Director Ryea stated that it has to do with funding and other programs being cut. City Manager Dragon stated that it also depends on economy.

II. PLANNING & ZONING DEPARTMENT page 85 – 1.9% DECREASE

Director Lewis started talking about revenues on page 56 as the building permits exceeded by \$22K. That is largely due to the fee for the Riverbend Mill and there is a general uptick in permits. There has been a drop in subdivision and site plan fees. The misc. fees on page 58 estimated a drop in revenues and that is largely due to the city now has the tax cards online.

Director Lewis stated that on the expense side the two big non personnel items are contracted services which is their share of the GIS work and membership and dues which is for LRPC in Meredith.

Councilor Zink stated the Proulx Center isn't in the planning and zoning budget which one is it in. City Manager Dragon stated it is part of the MSD buildings and grounds under Parks & Beaches.

III. CITY CLERK/TAX COLLECTOR DEPARTMENT page 77 – 3% INCREASE

City Clerk Gargano stated that on page 56 are the revenues and they have started to collect for amusement licenses. MV Registrations have increased but have no real reason but that will also increase the Municipal Agent Fees. Dog licenses are on track like last year. Interim Mayor/Councilor Clarenbach asked if there was an increase in the \$5 fee or just the values. City Clerk Gargano stated it's neither as people are just registering newer vehicles or more vehicles. Councilor Barton asked about the \$165K in interest and costs for property tax will they be close to that number. City Manager Dragon stated that the interest line will stay the same as they will be close to that amount this year. City Clerk Gargano stated this really has to do when people pay their bills and that is hard to know.

City Clerk Gargano stated that on page 78 for expenses professional development is down as she doesn't do certification this year since she graduated last year. Professional Services has increased as this is for the tax deed research. Elections on page 79 went down this year by 2/3 as there is only one (1) city election as last year there were three (3).

Councilor Ribas asked what is ballot coding. City Clerk Gargano replied that the ballots need to be coded a certain way in order to be counted by the machine so there is a company who does that.

IV. LIBRARY page 146 – 2.1% DECREASE

Director Sargent stated that they have requested a level funded budget. Last year they moved line amounts around to stay level funded and this year the line amounts are the same as last year. They are over on some service contracts but under on materials so it balances out.

Councilor Dzujna stated that the library went through a difficult time years ago and had some cuts but the library board of trustees and employees have done a great job since then. Director Sargent stated that at that time they looked at what the community needed and kept one night and Saturdays. They try and give back to the community, without any city funds, through different events each year.

Councilor Zink asked if they have any big building needs this year. Director Sargent stated they are looking at patching the roof and/or replacing part of the roof in the elevator tower. The library has its own trust so capital projects are done through that and not the city.

Councilor Dzujna stated there was a person who approached him to speak about the windows that need to be caulked and why the city isn't fixing it. He had to explain to them that there is a board of trustees that govern the library not the city.

Interim Mayor/Councilor Clarenbach stated that the returns of today are not like they were before and with the needs being greater than they were before is a challenge going forward.

V. PARKS AND REC DEPARTMENT page 131 – .4% INCREASE

Director Alpers stated that nothing really changed for revenues and expenditures this year as compared to last year. She stated revenues are on page 57 and page 131 for expenditures.

Councilor Zink stated that on page 65 it looks like general funds is higher. Director Alpers clarified that is her revolving fund and that is a fund that non taxpayer money goes into. Finance Director Milner stated this is set by state RSA. Councilor Dzujna asked if there was a limit on that and the answer was no. Interim Mayor/Councilor Clarenbach stated that account doesn't have any bearing on the budget. Councilor Barton asked about the pistol permits. City Manager Dragon stated those are for the police department and not under Parks and Rec.

Councilor Ribas asked about the water sample on page 131-132 but it also shows up under mileage expenditures. Director Alpers stated they have to fill the gas tank on the city car to do those samples.

Councilor Dzujna asked how long has Director Alpers been director. Finance Director Milner stated nine (9) years in Oct. Councilor Dzujna praised that what she has done has been amazing so thank you for that. City Manager Dragon stated not only does Director Alpers run the recreation program but she really runs the Bessie Rowell Community Center and scheduling all the organizations up there. She stated that Director Alpers is also constantly evaluating the programs to make changes as the kids interest change.

Councilor Zink asked how is staffing going based on the event supervisor role change last year. Director Alpers stated she is in a holding pattern as there will be some restructuring now with the 21st Century grant hire so she can better answer in the fall.

Councilor Dzujna asked if it is difficult getting afterschool counselors. Director Alpers stated getting counselors isn't that difficult but getting event supervisors is harder as the pay isn't high. There was a recent opening for a library assistant and that paid much more than the event supervisors and if you look at the job description the work is double for the event supervisor.

Councilor Dzujna stated that there will be a change in the fees next year and will that be a problem. Director Alpers doesn't feel it will be based on the analysis she has done.

VI. FINANCE page 80 – 4.7% INCREASE

Director Milner stated there are not a lot of changes this year. The audit line is up as the general fund is picking up more of that and this year the actuarial study must be done as this is for GASB. This is done in the financial statements and doesn't affect the budget at all.

Councilor Dzujna asked if that study has always been with the school. Finance Director Milner stated that since GASB 45 came into existence in 2013 they have always done it with the school. Interim Mayor/Councilor Clarenbach asked how often is that done and Finance Director Milner stated every other year.

VII. MISCELLANEOUS

City Manager Dragon stated this is where we go through the budget and pick up any items that aren't covered in the other departments. City Manager Dragon talked about the following:

Page 75 – City Council stays the same. City Manager's office the only change is the nuisance line and that only gets what can be afforded to be put in there each year. Interim Mayor/Councilor Clarenbach asked if we have a separate account when properties are taken. City Manager Dragon stated there is a revenue line. Interim Mayor/Councilor Clarenbach asked if a capital reserve account can be created. City Manager Dragon stated they can keep an eye on that line and use it for other buildings.

Councilor Zink stated that telephones seem very high. Finance Director Milner stated that all the city lines go through the city manager's budget.

Councilor Wells asked if the telephone system was through the computer system. Finance Director Milner stated it is a PBX system and not a voice over system as the internet system is not reliable. City Manager Dragon stated if we get fiber than we can reevaluate that.

Councilor Ribas stated that the switch over from PBX to fiber is expensive. City Manager Dragon stated they had a savings the last time they switched phone carriers. The city cell phones had a carrier switch last year with a savings.

Page 83 – Assessing department includes one employee and benefits. The assessing software maintenance is a \$0 as it is included in the assessing line above. Interim Mayor/City Councilor Clarenbach asked if the city owns the software and City Manager Dragon stated yes. The postage line is lower this year as it is not a reval year.

Councilor Zink asked if city values drop this year as her property value is lower this year. City Manager Dragon stated her property must be in the cycle as they do 1/5 of the city each year and maybe there was an adjustment to her property card as there wasn't an overall drop in city wide values this year. Interim Mayor/Councilor Clarenbach stated they also do comparables and that can make the value decline.

Page 84 – IT budget is going down and the other line is going up but it covers all of the city systems. When the switch was made to Avitar that changed that line. The fiber is the new line item and it is a lease payment and offset with elimination of the servers that needed replacement. Finance Manager Milner stated they were able to eliminate \$23K in the other expenditures in the budget due to the fiber so it is a net of \$11K into the budget. We will go from six (6) servers to two (2). Councilor Ribas stated this is a five (5) year lease but will only save on the servers for the first year. Finance Director Milner stated servers aren't all replaced in one (1) year there is a replacement schedule for at least the next three (3) years. City Manager Dragon stated there will be savings from the service contract. She stated that it will address issues with connectivity between buildings.

City Manager Dragon stated there are no changes to legal. Councilor Zink asked about the retainer and there are also legal hours. City Manager Dragon stated his retainer is \$1,175 mo and other services are billed separately and the rates are reduced for items not covered under the retainer.

Page 91 – General Gov't Other for City Hall Mileage is for mileage to go to conferences and training. Advertising is a best guess as it depends on how many hearings need to be had or how many open positions need to be advertised.

Page 140 –Overlay is used for abatements and if you have to give refunds it is done through this account. No changes in exemptions.

Page 134 – Finance Director Milner stated they are in the final payments for police/courthouse. Roads note is for the 2nd payment and the 1st payment for the fire truck. 50% of the police/courthouse payment will be reimbursed by the state for the courthouse and that is in revenues. Interim Mayor/Councilor Clarenbach stated there are more capital outlays but these are lease payments and aren't in debt service.

City Manager Dragon stated you gross appropriate and then shift to lease payment under capital.

Councilor Zink asked if they will ever be able to make an annual expenditure for infrastructure improvements. City Manager Dragon stated it is part of the capital plan but there are not enough funds so things have to be prioritized. Interim Mayor/City Councilor Clarenbach stated that if Northern Pass comes those funds would need to be structured properly as the needs are greater than the amount that will come.

City Manager Dragon stated next week the council will meet with the outside agencies and last week she met with the cemetery trustees as they have a deficit in their budget but explained to them that they are past the deadline for this upcoming year as the budget has been submitted. They have been added to the outside agency request for next year. She offered to them doing a model like the outing club which is getting assistance for their insurance. If we have some money leftover this year we can help.

Finance Director Milner stated it is perpetual care and cemetery trustees can't prove what monies go to what lots and that is the situation Franklin is in. The State of NH AG's office makes the city pick up expenses.

Councilor Wells stated it is not a pretty picture as perpetual care will never keep up with the expenses. City Manager Dragon stated that supporting them with insurance makes sense. Councilor Dzujna asked how many cemeteries are there in the city. Interim Mayor/City Councilor Clarenbach stated he believes there are seven (7).

OTHER BUSINESS

Interim Mayor/Councilor Clarenbach stated there is a resolution for continuing appropriations and some changes to the city manager's proposed budget with no net effect. He gave an overview of ordinances and resolutions and will bring forth next week to set the public hearing for the July meeting.

Councilor Ribas asked about the police contract as it isn't in the changes. City Manager Dragon stated she is working on solutions. If there are funds at FY17 yearend we will purchase sally port doors to make room in bottom line of budget

Motion to adjourn made by Councilor Ribas, seconded by Councilor Barton. All in favor; meeting adjourned at 7:37 p.m.

Respectfully Submitted,

Lauraine G. Paquin