



City Council Special Meeting October 24, 2016

Call to Order

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

In Attendance

Councilor Clarenbach, Councilor Starkweather, Councilor Barton, Councilor Giunta, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon and Mayor Merrifield.

Absent

Councilor Boyd

Salute to the Flag was led by Councilor Barton.

Public Hearings – *Mayor read the following (there was also informational documents available to the public):*

Community Development Block Grant funds are available to municipalities through the NH Community Development Finance Authority. Up to \$500,000 annually is available on a competitive basis for economic development, up to \$500,000 for public facility and housing projects and up to \$350,000 for emergency activities that directly benefit low and moderate income persons. Up to \$12,000 is available for feasibility study grants.

This is a proposed application to the Community Development Finance Authority for a proposed application to the Community Development Finance Authority for up to \$12,000 in Planning Study funds to do preliminary design and cost estimates for a potential Whitewater Park and Play on the Winnepesaukee River in Franklin. If constructed a Whitewater Park and Play would create jobs, the majority of which would be available to low and moderate income persons,

This project conforms with Franklin's Housing and Community Development Plan's Goal of: Participate in economic development opportunities (Short and Long Term Goal)

Funding request: up to \$12,000

The Mayor then asked for public comment on this.

Leigh Webb stated that he has spoken with Marty as the property encompasses some of the most important historical property and will continue to be in talks with Marty and hopes he will exercise an educational opportunity and signage with an explanation of what was there at one point in time and the significance and development to Franklin as a community. At some point there will be some

sensitivity towards the sites that were once mills as the parks develops, maybe even call it The Mills Whitewater Park & Play, and hopes they are sensitive to the archeological sites of what was once the mills. He does support what this development could become but hopes it can be developed sensitively.

Bob Lucas spoke and thanked the citizens of Franklin for coming out tonight and he also thanked the Mayor, City Council and the City Manager. He stated he understood that tonight they were considering a grant for the study of Whitewater Park & play. He understands the use to be paddling amenities, mill trail, community garden, mountain bike pump track and historic ecovillage campsites. Some of the social media comments are that the city is requesting money and to his understanding that is not the case. The site for this is city owned property behind the car wash and down to the river and is undeveloped and unused and requires considerable clean up. Mr. Lucas stated he fully supports moving forward and looking at the big picture the downtown redevelopment is underway due to the hard work of PermacityLife, Franklin Savings Bank, City of Franklin, Colby Sawyer College and countless volunteers/businesses. The proposed park design is around \$45K and then additional funds will be needed at no cost to the City. When completed the new venue will generate about \$6.8M in new revenue for the City of Franklin.

Scott Brown recommended the City Council support this grant and approve this park. He feels this is another way that the City, local businesses and the citizens can work together to improve Franklin for a lifetime. He stated that the NH Dept. of Resources and Economic Development published an impact analysis showing a \$6.8M spending benefit here in Franklin and that should be reason alone to approve this project. If the City Council doesn't receive the \$12K grant then they should find alternative funding to make this happen.

Jo Brown spoke supporting this initiative for many of the reasons others have said but the City Council not only shows that it is thinking outside the box but that it shows it truly sees the vision for a true Franklin for a Lifetime. It retains opportunities for young families and offers opportunities for others to move in. By working with PermacityLife, it shows others that we have a vision and the willingness to help it grow as a City and the true commitment to make this City Franklin for a Lifetime and it can be done.

Sara Stanley stated that she had three (3) items to read. The first item is a letter from Ken Norton, Friends of the Winnepesaukee River. He wants to provide full support and endorsement of this park. During the past 25 years a great deal of effort has gone into preserving the Winnepesaukee River and promoting recreational use of the river and adjacent land. The goal has always been to improve the quality of life for local residents it has also been done with an eye toward economic development and making Franklin a destination point for outdoor recreation. The Winnepesaukee River Trail is an all-volunteer organization with some funding from Franklin, Tilton and Northfield and received 13 easements from private citizens to allow the trail to be constructed on their land. Tressel View park was made possible by a land donation of the Grevior family and a Land and Community Heritage Grant. In 2007 the City passed a resolution calling the NH Dept. of Environmental Services to develop a watershed management plan including scheduled summer whitewater releases.

The second item addressed was in support of the City's resolution #02-08 passed 08/06/07 that is a Resolution relating to the Franklin City Council's support of Whitewater Recreational Activities on the Winnepesaukee River.

The last item Ms. Stanley read was something that she wrote on Facebook that she addressed to Marty Parchand which was in support of the Whitewater park.

Karen Darling spoke in support of the park and about what attracted her and her husband to Franklin. She also has one of the properties that have one of the easements on the trail. She has noticed such an increase of the trail use in the past year.

Sonny from Concord spoke about the Whitewater Slalom events that have been held in Webster for the last 33 years and to speak to the fore fathers about that event. He stated that he supported this initiative because of what it has done for Webster.

Mayor read an email submission from Jesse Nicola who used to live in Franklin and Dad owed the Radio Shack and Mom worked at Franklin Middle School. She stated that there is a small out of the way town in MA, Charlemont, who just did this for their town and fully supports this for Franklin.

Mayor closed the public comment.

Mayor read the following:

Residential Antidisplacement and Relocation Assistance Plan

Although this project does not involve any displacement or relocation of persons or Businesses, if the City were to undertake a CDBG project which involved displacement or relocation they would follow this plan. The plan outlines the measures they would take to find comparable, suitable housing for persons (or businesses) displaced or relocated.

The Mayor then asked for public comment on this.

There was no public comment.

Mayor closed the public comment.

Mayor moved Agenda Item II to go before Agenda Item I.

Agenda Item II.

City Council votes to adopt the Antidisplacement and Relocation Assistance Plan.

Mayor stated he needs a motion from the Council to adopt the Antidisplacement and Relocation Assistance Plan.

Motion: Councilor Giunta motioned and it was seconded by Councilor Desrochers.

Councilor Dzujna asked if most of that property is City property. City Manager Dragon stated yes.

All in favor; motion passes.

Council votes to approve the submittal of the application and vote to authorize the City Manager to sign and submit the application, and upon approval of the CDBG application, authorize the City Manager to execute any documents which may be necessary to effectuate the CDBG contract and any amendments thereto.

Motion: Councilor Desrochers motioned and it was seconded by Councilor Giunta.

All in favor; motion passes.

Agenda Item I.

City Council to vote on whether or not to accept the provisions of RSA 194-C providing for the organization of a School Administrative Unit involving districts of Franklin and Hill, in accordance with the provisions of the proposed plan.

Motion: Councilor Desrochers moved that the Franklin City Council vote on whether or not to accept the provisions of RSA 194-C providing for the organization of a School Administrative Unit involving districts of Franklin and Hill, in accordance with the provisions of the proposed plan. Motion seconded by Councilor Dzujna.

Councilor Barton asked how does withdrawing save money for the City. City Manager Dragon stated that on page 5 of the plan itself it breaks down the numbers. There will be one staff position eliminated which more than offsets the loss of revenue and will result in \$21,802 in savings. Mayor Merrifield asked if it includes other ancillary costs and City Manager Dragon stated yes. Councilor Starkweather asked what plan and City Manager Dragon stated it was in the September 12 Council packet. Councilor Zink stated that in the plan on page 5 it states that the SAU budget totals \$730K but then in other discussions we have the Superintendent's stated budget of over \$1M so then she went to the SAU's website and pulled their budget of \$890K so there seems to be multiple numbers of the SAU budget. City Manager Dragon stated during the withdrawal process these numbers were provided from Business Administrator Bergquist but at the time she believes there were some estimated numbers provided. Mayor stated there are a number of ways to look at his budget. Business Administrator Bergquist stated that you have to take the grants out of the SAU budget of \$890K.

Councilor Giunta asked City Manager Dragon to go through the items in a report that she gave the council. City Manager Dragon stated they just spoke about #1 Costs/Savings so item #2 is Audits. Since Franklin School District is a dependent school district their financial statements are part of the City's overall financial statements and Franklin is 90% of the SAU. The audits have been delayed and due to those delays the City and SAU has had to carry an encumbrance of \$250K. As the audits are released then the encumbrance can be released. Councilor Giunta asked if an encumbrance can be accessed. City Manager Dragon stated that the money is set aside for a certain purpose and when it is released it goes back into the general fund. The school can't carry a fund balance the fund balance is on the City books. This past year some of that encumbrance money was released and the Council voted that it go towards helping the school with its budget.

City Manager Dragon spoke about item #3 Franklin Focus which is about the educational benefit to the students. This stems from the withdrawal meeting and it is due to Superintendent LeGallo and Business Administrator Bergquist who are out of the office dealing with Hill items and going to Newfound School District for Hill students. Their time and energy can be spent in Franklin dealing with Franklin issues especially with declining enrollment and the challenges Franklin has been facing. There is also the \$21,802 in savings that would benefit Franklin students.

City Manager Dragon talked about item #4 Financial Consolidation which was not part of the withdrawal plan. If withdrawal occurs only the vote of the Franklin School Board is necessary and then it can go on the table for consideration during the ongoing joint meetings.

City Manager Dragon talked about item #5 Public Opinion and comments at the public hearing stating about offending Hill and being a grudge against Hill. Hill has a ten year agreement with Newfound and all remaining Hill students will graduate soon. There has not been much of a presence from Hill indicating a desire to remain connected with Franklin's SAU. During the withdrawal process Hill never sent a letter asking that the process not go forward nor was there a presence from Hill during the process.

City Manager Dragon talked about item #6 Flexibility as a single district that allows considering looking at all options for Franklin.

Councilor Barton asked that not voting for the withdrawal is there any benefit to the City or school board. City Manager Dragon stated that by not voting for the withdrawal the revenue that is currently received, \$63K would continue and the SAU would maintain all the secretarial and staff support.

Councilor Clarenbach stated that this is an unfortunate situation due to Hill deciding to bring their high school students to Newfound. He states that what is missed is that the Hill School Board felt that their student's education wasn't adequate enough. A committee was formed and their recommendation was 4-3 to withdraw. The bigger question is where are we going as a committee and how do we value the schools in our community. The minutes were indecisive back and forth. He stated he will vote no to the withdrawal as he doesn't believe it is in Franklin's best interest. For

regionalization he doesn't feel Franklin will be a good partner if they are a standalone and what they have done as a process their actions will speak louder for anyone wanting to join with Franklin in the future.

Councilor Wells stated he was concerned that the process to eliminate Hill is easy to do but difficult to undue if a year down the road things are different.

Councilor Desrochers stated that the Hill School Board stated that no matter what Franklin does they are not going to go along with it. Hill voted to leave and now it is our turn to take care of Franklin. In the next year and a half there will be no more Hill students in Franklin schools. We have a choice to make and we need to choose for Franklin. We have a budget crisis going on and we don't need outside influence that doesn't have a stake in Franklin.

Councilor Dzujna stated he was on the committee and appointed as a person of the public. The most he heard was that the City Council and the school board never work together. He thought that if Franklin had their own district it would be easier for the City Council and school board to work together. Having another entity in their always throwing a monkey wrench really hurts Franklin. He voted then and will today for the withdrawal.

Councilor Starkweather stated that a lot of this comes down to cost savings with Hill students diminishing and their contribution also diminishing. Will Superintendent LeGallo still have to go to Newfound for the special education students? The minutes for the committee read like a neighborhood dispute and he didn't feel there was enough information as the minutes were willfully lacking detail for a legal document with no decision recorded and there is just not enough information to make a decision.

Councilor Giunta wasn't originally on the committee but then was appointed to the committee when Councilor Feener came off the Council. He went into the meetings trying to understand the financial piece and was looking for the consolidation but there was no consolidation which was frustrating. There is a \$21K savings and for the deficit that we are facing next year any amount we can find is a savings and needed. He then stated that a school board member stated that Hill wants nothing to do with Franklin.

Councilor Zink stated she still doesn't understand the numbers. City Manager Dragon stated that Hill was paying \$93K but not any longer. On page 6 the estimated for 2016-17 was \$63K and their contribution was already dropping. Councilor Zink asked where did we get to the \$21,802 as she stated she finds a \$25K difference between page 4 and 5. Finance Director Milner explained how to get to that figure. City Manager Dragon stated they are trying to answer questions of numbers that were prepared by the school and some of them are estimated numbers for the 2017 budget and some of the numbers are contracted numbers as there is an attorney for the school district and another attorney for the SAU and you wouldn't need two different attorneys if they were one district.

Councilor Barton asked can we change salaries of people in the SAU and is that how they came up with the cuts. City Manager Dragon stated if they are no longer traveling to Hill for meetings or reconciling their budgets or doing their audits there is no need for a Hill secretary. Councilor Barton then asked that they are not going to take someone's current salary and cut it. City Manager Dragon stated that the plan would take place next school year and change the staffing level at the SAU office and page 5 have the current staffing levels at the SAU office.

Councilor Clarenbach stated that there are a lot of school board members who are not in favor of this. There are nine Franklin School Board members who are charged with running the district. What he is hearing is that if it was a sole school district there can be a lot more direction from the Council. There may not be a consolidation so it is not helping anything if the school board is not on board. The Council cannot control anything at the school other than the dollar. He agrees with Councilor Giunta that both sides are going to have to dig hard when it comes to the budget and it will be a challenging situation. Councilor Giunta stated he doesn't want the lines to be blurred. During the Joint Finance meetings he doesn't feel that at all. Years ago when he was Mayor they used to fight over \$75K and now they are talking about \$1.3M and he feels it would be easier if they were all under one roof.

Councilor Desrochers stated he doesn't want to tell the school what to do but we have to consolidate our finances down the road. It's time for Franklin to move forward. Maybe we could regionalize with Winnisquam.

Councilor Starkweather stated that if this passes they will still have the same SAU number, the same staff minus the one (1) secretary what else is being saved. Councilor Barton asked if the Council votes not to withdraw does that mean Jeannie Blake remains part of the SAU. City Manager stated yes. He then asked if they vote to withdraw then Jeannie Blake is not part of the SAU. Councilor Barton stated that they are not voting on consolidation tonight. City Manager Dragon stated no. He then asked how long is the contract with Newfound. City Manager Dragon stated it is a ten (10) year plan and they are in year two (2). He then asked that they cannot back out of that and City Manager Dragon stated no. He then asked if they vote yes the \$21K is part of the \$60K. City Manager Dragon explained that if they follow the plan yes but the school board does not have to follow the plan as they decide how their funds are spent.

Councilor Wells asked how much influence does the Hill School Board members have on the Franklin School Board members as Franklin has nine (9). City Manager Dragon stated they have three (3). He then stated they will certainly not swamp the vote. City Manager Dragon stated it will depend on who shows up to the meeting. He then stated you have to look at the long term.

Councilor Starkweather asked that on the Franklin withdrawal timeline on the charter if petitioned by 100 voters and City Charter permits question can be placed on the ballot for the next election. He stated that if this doesn't work out this can be brought up for more discussion. City Manager Dragon spoke with City Attorney Fitzgerald and he stated the City has no such clause in the City charter for this withdrawal plan. That clause was put in by the school's attorney that he probably brought forward from the RSA. City Manager Dragon stated that City Attorney Fitzgerald said that this is not

available per the current City charter. Mayor Merrifield clarified that in a town you have a different situation whereas in Franklin the Council represents the voters.

Councilor Zink asked why is there a \$25K difference between the \$755,733 and then on page 5 \$703,417 when we are talking about saving \$21K and if we don't do this we are talking about \$64K. Mayor Merrifield explained that you have to think about this in the net as you are losing expenses at the same time you are losing the revenue. City Manager Dragon stated that at the same time you have less expenses so you offsetting the reduction which exceeds the amount Hill is contributing.

Councilor Giunta stated that if we withdraw we have the potential to consolidate and he highly recommends to the school board that we start talking about that as every dime is going to make a difference. If we don't withdraw the members of Hill have already stated they don't want to talk about it. The only option to find extra dollars for the school next year is to withdraw.

Councilor Barton asked for clarification is that the school board is going to to cut contracts. City Manager Dragon stated that the only contracts in the withdrawal are the ones that wouldn't be necessary. The only salary in the withdrawal is the one position. It has nothing to do with any of the other salaries in the SAU office.

Mayor Merrifield called for a short recess at 7:21 pm.

Mayor Merrifield called the meeting to order at 7:31 pm.

Motion: ***Councilor Giunta motioned to end the debate and to take the vote and it was seconded by Councilor Desrochers.***

All in favor, one opposed; motion passes.

Mayor Merrifield asked all those voting in favor of withdrawal to raise their hands – 4 raised.

Mayor Merrifield asked those opposed to raise their hands – 4 raised.

Mayor Merrifield took a minute to explain his decision on his vote. It has been a difficult budget decision and the Mayor has lost sleep over the issues with the school district and what is facing the kids. He has surrendered his salary, and if anyone has done more personally to heal the divide he thanks and congratulates them. The Council came up with truly everything to heal the budget gap. He has no other solutions for next year and they are facing at least \$1.3M shortfall. Mayor Merrifield stated he feels that consolidation is not an option it is a requirement for next year and he is voting in favor of withdrawal because we have to do absolutely everything we can.

Other Business:

City Manager Dragon stated that in the Charter section 51 there is a notice to be sent out to all those elected within ten (10) days whereas they have ten (10) days to come in to be sworn in to office.

Normally the swearing in takes place at the January inauguration that has been a ceremonial thing for many years. To be in line with the Charter we did send out the letters but not everyone came in so there is a proposed motion to request the date to be extended until the inauguration of January 3, 2017.

Motion: *Councilor Zink moved that the Franklin City Council extend the file date with the City Clerk for the oath of office from the notice of election letter of October 24, 2016 to the January 3, 2017 inaugural ceremony. Motion seconded by Councilor Desrochers.*

Councilor Dzujna stated we will have to do this every year. Councilor Zink stated unless you change the City Charter. Mayor Merrifield and City Manager Dragon stated this is easier.

All in favor; motion passes.

Mayor Merrifield spoke about filling the school board vacancy and they did receive one request.

Motion: *Councilor Zink moved that the Franklin City Council appoint Jeffery Savary to the vacant School Board Ward I seat (SBW13). Motion seconded by Councilor Starkweather.*

Councilor Desrochers asked Mr. Savary, "What would you do differently than what the current school board is doing now?" Mr. Savary replied that he would have to look at what the school board has been doing over the past few years. The budget process is one area that needs improvement. He would be really involved in the budget process and work with the City Council to work with the State to get adequate funding back.

All in favor; motion passes.

Mayor Merrifield stated there has been a request of a release regarding Selectman at elections. City Solicitor Paul Fitzgerald issued an opinion and there has been a request from a moderator to release the opinion that Councilors have to only attend the general election.

Motion: *Councilor Desrochers moved that the Franklin City Council send a copy of the decision regarding elections to Tamara Feener but the Moderators of all three (3) Wards as they need to have this at all voting locations. Motion seconded by Councilor Barton.*

Councilor Starkweather stated he attended the meeting that the Secretary of State held at the Bessie Rowell Community Center and they said yes Selectman, in this case Councilors, have to be present at all elections it is in the State Constitution. Councilor Clarenbach stated he is for this but the current way they are required to be there they can find a substitute by current State Law and if they can't then the Moderator is required to find a substitute. He felt they need to work on levels of communication for all councilors' availability prior to Election Day. Councilor Starkweather stated

that their Moderator calls them to see if they will be there. Councilor Dzujna agrees with Councilor Clarenbach but is there criteria for a substitute. They believe the only criteria is to live in the Ward.

Mayor Merrifield stated you should not take this lightly about releasing decisions. Councilor Wells asked that maybe the Councilors capacity be explained to the Moderator by the Councilors and not the City Solicitor. City Manager Dragon explained that has been done and that is why there was a request for a legal opinion.

All in favor, motion passes.

Mayor Merrifield reminded the Council about the evaluation forms and he would like to cover this at the November Council meeting.

Councilor Wells wanted to thank the Mayor and the other people involved for fundraising for the music department it was very generous.

Motion to adjourn made by Councilor Giunta and seconded by Councilor Desrochers. All in favor; meeting adjourned at 7:49 p.m.

Respectfully Submitted,

Lauraine G. Paquin