



**City Council Special Meeting Minutes  
Municipal Budget Session I  
Monday, May 10, 2021 - 6:00 p.m.  
Council Chambers, City Hall**

**Council in attendance:** Interim Mayor Olivia Zink, Councilor Jo Brown, Councilor Scott Clarenbach, Councilor Bob Desrochers, Councilor Jay Chandler, Councilor April Bunker, Councilor Ted Starkweather, Councilor Karen Testerman, Councilor, Councilor Paul Trudel.

**Others in attendance:** City Manager Judie Milner, Police Chief David Goldstein, Fire Chief Michael Foss, Planning and Zoning Director Dick Lewis, Municipal Services Director Brian Sullivan, Parks and Recreation Director Krystal Alpers, City Clerk Katie Gargano, Finance Director Pessy Gaudette, Library Director Rob Sargent, and members of the public.

Mayor Zink called the meeting to order in Council Chambers at 6:01 p.m.

Salute to the Flag was led by Councilor Trudel.

**Agenda Item I.**

Fife Agricultural Real Estate Lease.

**Motion – Councilor Desrochers moved that the Franklin City Council approve the agricultural lease with Brent Fife. Seconded by Councilor Bunker.**

Councilor Testerman asked the Council to think about the solar lease on this same property and that if they do not start construction in 90 days that it could be leased out to someone else.

City Manager Milner replied that this is the next item for Attorney Fitzgerald to provide legal guidance to see how the City can get out of the current solar agreement and will be brought back to the City Council. Milner stated that Mr. Chinberg is signing a Developer's Agreement for the Whitewater Park and the TIFF. If the City is unable to make the TIFF payment from the increment, then Chinberg will.

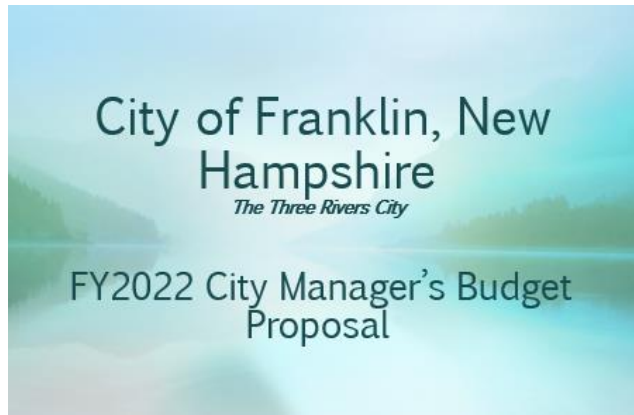
There was no further discussion.

**All in favor. Motion PASSED.**

**Agenda Item II.**

Municipal Budget FY22 Presentation

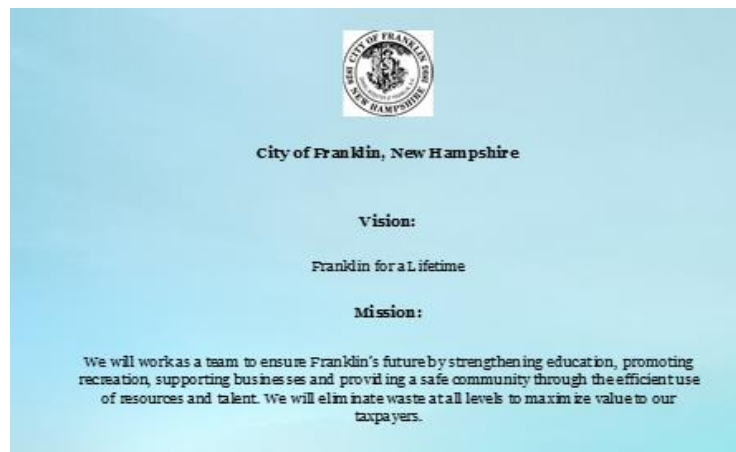
Milner presented the following slides:



FY2022 Manager's Budget Proposal – Professional Staff	
Finance Director	Esaundra Gaudette
City Clerk/Tax Collector	Katie Gargano
Fire Chief	Michael Foss
Library Director	Robert Sargent
Municipal Services Director	Brian Sullivan
Planning/Zoning Director & Special Projects Coordinator	Richard Lewis
Police Chief	David Goldstein
Recreation Director	Krystal Alpers

Milner stated that this team is a group of professionals. They work for the City and with other community organizations building relationships that in turn benefit the City of Franklin and she is proud to be among them.

She further stated that the following budget was prepared by focusing on where the future of Franklin needs to be. With the assistance of local volunteers along with the professional assistance of Richard Ellert, the City's Vision took form.



### FY2022 Manager's Budget Proposal - Guiding Principles

- Provide the resources to achieve the mission
- Preserve CITY services for we are a City
- Maintain Standards
- Support Strengths
- Address Weaknesses
- Take advantage of Opportunities
- Minimize Threats
- Put pieces in play toward solutions (both long & short term)

### FY2022 Manager's Budget Proposal – Budget Schedule

February 3, 2021	Preliminary payroll projections to all departments
February 26	Budget packets & worksheets to all departments
March 12	Budget worksheets and verified payroll projections due to Finance Director
March 19	Outside agency request forms due
March 26	First draft of Department proposed budget worksheet due to City Manager
March 26	Capital improvement forms due to City Manager
May 3	City Manager's budget to City Council
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May 5	City Council Budget Workshop – School District Presentation
May 10	City Council Budget Workshop – Municipal Departments Part 1
May 17	City Council Budget Workshop – Municipal Departments Part 2
May 24	City Council Budget Workshop – Municipal Departments Part 3
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June 7	City Council Meeting
July 6	City Council Meeting

### FY2022 Manager's Budget Proposal - Strengths

- Good Stewardship:
  - 5<sup>th</sup> year of budget format that closely mirrors GFOA Distinguished Budget
  - Use one time revenue for one time exp or losses
  - Last 10+ years of audited financial statements have an unqualified audit opinion from a independent CPA – highest opinion received, often called a “clean opinion”
  - Most of last 10 years, City qualified for a single audit (>\$750,000 expended in federal grants), more stringent audit always received “clean opinion”
  - Just under \$2m in current year grants managed (just includes current year portion of multi year grants)
  - Prudent Debt Service management - % of assessed value & rate shopping
  - Effective Cash Management – avoids TAN and RAN; maximize returns
  - Fund Balance Reserve, sometime referred to as “rainy day fund”, has been increased every year by municipal departments through good budget management to move toward the required 15% of expenditures per code

Fiscal Year	Fund Balance Amount	% Change from Previous Year	Comments
2007	2,404,353		\$208,500 of this balance appropriated in FY08 for municipal
2008	1,677,587	-30.2%	
2009	1,130,564	-32.6%	Sex rate setting error
2010	1,501,085	32.8%	
2011	1,938,801	27.8%	
2012	2,106,740	9.8%	
2013	2,371,366	12.6%	
2014	2,679,193	13.0%	
2015	2,836,541	5.9%	
2016	3,295,268	16.2%	\$250,000 of this balance appropriated in FY17 for school district
2017	3,222,880	-2.2%	\$264,000 of this balance appropriated in FY18 for school district
2018	3,341,009	3.7%	FY2018 Fund Balance amount is an unaudited projected number
2019	4,269,105	27.8%	FY2019 Fund Balance amount is the audited number; \$851,751 of the fund balance in FY2020 budget was appropriated to the school district.
2020	4,836,212	44.2%	FY2020 Fund Balance amount is an unaudited projected number

Footnotes: Per Chapter 27 of the Administrative Code, 15% target fund balance is \$5,065,539 based on the FY20 budget.

## FY2022 Manager's Proposed Budget – General Fund

- Supported By City Taxpayer along with Federal, State, Charges for Service and other revenues
- FY2022 General Fund Budget:
  - \$18.6m School District
  - \$12.9m Municipal Departments
  - \$31.5m Total GF budget
- School District was presented by Superintendent LeGallo to the City Council May 5<sup>th</sup>
- Municipal Departments – tonight's focus (5/17, 5/24)

Milner explained the difference between the tax cap and spending cap. She explained that the budget cap/spending cap is based on expenditures/appropriations. The total bottom line budget can only increase by a certain amount. The tax cap is based on the previous year taxes and can not increase by a certain amount. If the City receives a grant, those funds are expended towards a certain purpose and does not affect the taxpayer rate either way.

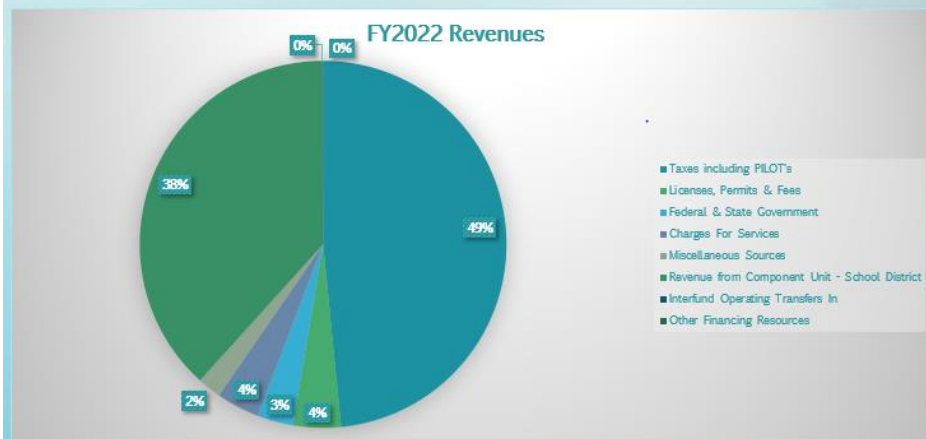
## FY2022 Manager's Proposed Budget – Taxes

Property Tax Support For:	Amount	% of total	
School District Operations	\$ 785,975	36.1%	How does this look on my tax bill?
Merimack County	1,765,387	11.0%	Statewide Education: 1,190,971
Veteran's Credits	138,275	0.9%	School: 4,395,004
Overlay	31,000	0.2%	County: 1,765,387
Municipal Operations	8,260,972	51.5%	Town: 8,430,247
Tax Increment Financing Districts	67,503	0.4%	
<b>Total City of Franklin Property Tax</b>	<b>16,049,112</b>	<b>100.0%</b>	
			Tax Increment Financing Districts
			taxes are paid by the taxpayers in the
			district who have added value to that
			district since inception
<b>Increase over prior year taxes</b>	<b>\$ 336,351</b>	<b>1.91%</b>	

## FY2022 Manager's Proposed Budget - Weakness

- The City Taxpayer ability to pay
  - 5 year average \$352,244 uncollected at Fiscal Year End
  - COVID effect

## FY2022 Manager's Proposed Budget - Revenues



## FY2022 Manager's Proposed Budget – Revenues Threats

- Downshifting Costs from the State
- History

	FY21	FY20	FY19	FY18	FY17	FY16
School District	412,777	352,333	730,599	569,199	409,331	255,261
Municipal	846,475	793,820	889,559	795,468	728,519	669,520
<b>Total</b>	<b>1,259,252</b>	<b>1,146,153</b>	<b>1,620,158</b>	<b>1,364,667</b>	<b>1,137,849</b>	<b>924,782</b>

- FY22 estimate  
 –\$1.3m

## FY2022 Manager's Proposed Budget - Revenues

- Fee Changes included in revenues – Ordinance 02-22 (pg. 5)
- ARPA – American Recovery Plan Act
  - Interest Earnings
  - Highway Block
  - Interest & Costs
  - Misc. Revenues



## FY2022 Manager's Proposed Budget – Payroll & Benefits (Strengths)

- Your Professional Staff
- Your Dedicated Employees = YOUR GREATEST ASSET



## FY2022 Manager's Proposed Budget – Payroll & Benefits (Weaknesses)

- Number of Employees
- Aging Workforce
- Employee Pay
- Employee Benefits
- Combination of Employee Pay & Benefits

## FY2022 Manager's Proposed Budget – Payroll & Benefits Weakness – Pay Inequities Example

Step 1 (other communities)	25.36	
Step 1 (Franklin)	19.32	
<b>Difference in Pay (A)</b>	<b>6.04</b>	<b>\$13,191 Annual Additional Earnable Compensation for NHRS</b>
20% Family Health	2.91	
Pre-Tax Savings	0.49	
<b>Actual out of pocket (B)</b>	<b>2.42</b>	
<b>Additional Take Home (A-B)</b>	<b>3.62</b>	<b>\$7,906 Annually In Pocket</b>

## FY2022 Manager's Proposed Budget – Payroll & Benefits Weakness – Forward Movement

- Recognizing our **employees** are our greatest **asset**, the managers proposal includes:
  - 1% COLA (all employees)
  - Step increases (employees under step 12)
  - No Change in benefit cost share
    - Change in plan design to more closely mirror surrounding communities
  - Funding for Pay, Class & Benefits Study

## FY2022 Manager's Proposed Budget – Payroll & Benefits – Election Officials

Elections Key		
Members	Rates	
	Per Hour	Per Election
Supervisor	\$10	
Moderator		\$150
Assitant Moderator		\$100
Clerk Pro-tem		\$75
Ward Clerk		\$125
Ballot Inspector		\$100
Supervisor Assistant		\$75
Greeters		\$75

## FY2022 Manager's Proposed Budget – Positions

- 97 regularly scheduled, 2 are K-9's, 1 is 100% grant funded, 2.5 remain unfunded (from FY14)
- Police Sergeants
  - Regrade to address compression and mirror separation of positions as recommended in the FY14 pay & class study
- Parks & Rec Event Supervisor
  - New regularly scheduled part time position to comply with DOL rules

## FY2022 Manager's Proposed Budget – Payroll & Benefits

- Payroll Expenditure Changes:
  - Health 4.69% decrease
  - Dental 0%
  - Short/Long Term Disability and Life small decrease
  - No change in social security or medicare
  - No Change in unemployment
  - 9.1% Increase in Worker's Compensation
  - New Hampshire Retirement System

Category	FY20/21	FY22/23
Employee	11.17%	14.06%
Teacher	17.80%	21.02%
Police	28.43%	33.88%
Fire	30.04%	32.99%



### FY2022 Manager's Proposed Budget – Expenditures

- Executive (page 102)
  - City Council
    - Small increase in NHMA dues
  - City Manager
    - Pay, Class & Benefit
    - Nuisance Abatement
    - Contingent Grant
    - DFC match
    - Contingency

### FY2022 Manager's Proposed Budget – Expenditures

- Legal (page 108)
  - City Solicitor – busy & held retainer
- Insurance & Other (page 112)
  - Insurances other than payroll related
    - Adjusted deductible

Police Chief David Goldstein presented the following slides. He thanked City Manager Milner, Finance Director Pessy Gaudette, Lieutenant Dan Poirier, and Secretary Penny Stephens for their assistance in the creation of their budget.

## FY2022 Manager's Proposed Budget – Expenditures

–Police Department (page 113,  
statistics page 75)

## Franklin Police Department FY 2022 10 May 2021



You wouldn't enter here for a million dollars...We do it  
for  
a lot less...



Al local family who had a lemonade stand to fundraise for the Police Department.



Off. Tracy and K9 Miller...221 calls/services rendered  
(since 1-16-19)



Sgt. Guerriero and K9 Falco...136 responses  
(2020)



## Some FPD Facts & Accomplishments

- Full strength by 01 July 2021
- Total years of LE service by FPD sworn personnel---234 years ranging from 1 to 40+
- From a variety of backgrounds & to name a few:
  - military (combat proven) veterans
  - higher education (Associates, Bachelors, Masters & Doctorate)
  - a former member of the NH legislature
  - previous experience at in-state LE (i.e., municipal, county & state) and corrections

Chief Goldstein stated that the PD is moving from a state of exhaustion to a state of extinction.

Goldstein raved about the dedication of his staff for the sacrifices they make everyday for the City of Franklin. They are some of the best in the world.

## Some FPD Facts & Accomplishments

- Handlers & K9s Elks Citizen of the Year Award
- 2020 American Legion NH LE Officer of the Year
- NAMI NH LE Officer of the Year Recognition
- Implemented a Drone Program and FAA certified pilot
- K9 Miller completed all certifications needed for Comfort/Therapy
- Implemented ACERT (Adverse Childhood Experiences Response Team) in conjunction with UpReach an equine therapy program for victims and first responders

Chief Goldstein invited the Council to visit the PD to watch a disturbing video of what children are doing for “fun” these days called “Suicide Swerve”. Officer Tracy had been on the other end of this and after reprimanding the offending children, one disbelieving parent who believed their child would never do such a thing, went over to the Police Department yelling vulgarities at the Police. On a separate show of disrespect toward the Police force, a photo was posted to social media from a local father and his toddler daughter taking a vulgar selfie in front of a Franklin police cruiser. Goldstein asked the Council what chance does this child have being taught this kind of negative behavior.

## Some FPD Facts & Accomplishments

- Promoted a second Lt
- Certified an officer in Riot Control Training (train-the-trainer)
- Certified two officers (train-the-trainer) in a new Less-Lethal Distraction Device
- Faculty of Critical Incident Management Training (mental health oriented)
- Augmented Detective Bureau (PT detective)
- PD
  - Administration
  - Supervision
  - Line Officers
  - Detectives
    - UC operatives
    - Evidence

## Some FPD Facts & Accomplishments

- Containment/High Risk Warrant Team/Certified Riot Control Officer/Certified Diversionary Device Officers
- Mountain Bike
- CISM/CISD
- Faculty for NAMI CIT training
- Drone and FAA Certified Remote Pilot
- NH Police Academy Adjunct Instructors
  - Firearms
  - Stress/Crisis Management
  - Forensic Psychology
  - Dealing with the Emotionally Disturbed Individual
- Dispatch (regional)
- Legal (Bar Admitted Attorney)



Fire Chief Michael Foss began his budget discussion with an update from the last time the Fire Department presented their Strengths, Weaknesses, and Threats to the Council in December of 2019.

### FY2022 Manager's Proposed Budget – Expenditures

–Fire Department (page 118;  
statistics page 78)

Foss stated that little has been done since that last presentation to address some of the weaknesses and threats that were presented at that time. He had an open dialog with the Council stating that the workload continues to increase along with fatigue and burnout. The budget presented tonight will help get their department get back on track. The primary request from Chief Foss was an increase in pay for his staff. Due to COVID, his staff worked a significant amount of overtime to cover additional shifts due to the pandemic while making less wages than surrounding communities. He compared the current pay scale to 2014 wages and adjustments need to happen or the City is at risk of losing their greatest assets.

Foss further stated that an increase in staffing is needed to help with the fatigue and to cover shifts. Within a 24 hour period, many incoming calls come in at the same time and the department is left in a vulnerable position. He requested 6 additional firefighters to his staff. At times of emergencies when off duty firefighters are called to come back in, 70% of the time they are unable to come back in due to fatigue and burnout which leaves the department shorthanded and puts an alarming strain on those at the fire station. Foss is applying for a SAFER Grant (Staffing for Adequate Fire and Emergency Response) which is funded by the Federal Emergency Management Agency (FEMA). These awards help fire departments attract new firefighters, retain existing firefighters, and stay compliant with regulations established by the National Fire Protection Association (NFPA). If the City can be awarded this grant, it would pay 100% of salary and benefits for 3 additional fire fighters the three years.

Foss also explained additional items and improvements that are needed within the fire station building and responded to incorrect information that was spoken recently with regards to fire station staff vehicles. Also among one of these requests and very important, is the urgent need for sleeping and showering quarters for a female firefighter.

A grant was received which will bring the cost from the City down to \$70,000. Foss welcomed anyone interested to contact him before a visit the fire station so he be sure to provide dedicated time and walk through any details someone may request.

Foss concluded with an explanation of the equipment that will be ending its life within the next couple of years which will cost considerably more in a couple of years and urged the Council to begin funding a Capital Account for the Fire Department.

Councilor Starkweather asked for an update on Code Enforcement. Foss referred to page 79 of the budget book and noted that Code Enforcement responded to over 2,000 complaints in 2020. Some of those get held up in the court process but are being addressed.

There was further discussion on gear requests and health screenings pertaining to hazardous exposures for the fire fighters.

Councilor Desrochers stated that he sympathizes with the Fire Department's needs but looking at the math, he doesn't know where the money will come from. Foss replied that this is why it is important to begin to save in a Capital account for these items.

City Manager Milner stated that she has a few ideas on how to address the Capital Funding issues and will discuss them in detail at the May 24<sup>th</sup> City Council Special Meeting Municipal Services Session III.

Milner further informed the Council that there is some Capital money left over at the end of the fiscal year and that can be used to address some of the capital items.

Councilor Starkweather asked Chief Foss to explain the clean up of the PFOAs at the Fire Station. Foss replied that the PFOAs were due to the old foam used in firefighting and for training. The Fire Department has come up with a plan to monitor the contaminants and change their practices. The Fire department switched to environmentally friendly fire fighting foam. Clean Harbor disposed of the old foam at the end of FY20. It cost approximately \$4K for them to contain it and remove it from the Fire Department.

Foss explained the allocation of the additional staffing needs and wanted it to be in the record that if the he can obtain 3 additional staff members with the SAFER Grant, he has no intention of letting them go after 3 years.

Milner added that with the addition of these new staff members at Fire Station, they will actually see savings from the overtime hours dropping.

Clarenbach stated that the Police Department and Fire Department services unfortunately are not utilized by everyone and the fee structure should be reviewed. Similar to how the Parks and Recreation Department charge fees for certain program enrollment. This is done so it doesn't all fall on the taxpayers. The City has to work under the tax cap so there has to be a creative solution to charging repeat "customers" a different fee base who are burdening the system.

There was no further discussion.

**Motion to adjourn was made by Councilor Brown and seconded by Councilor Trudel.**

**All in favor. Motion PASSED.**

**The meeting adjourned at 8:05 p.m.**

Respectfully submitted,

Audrey Lanzillo