



**City Council Special  
Meeting Minutes  
Monday, February 28, 2022 - 6:00 p.m.  
Council Chambers, City Hall**

**Council in attendance:** Mayor Jo Brown, Councilor Jay Chandler, Councilor Bob Desrochers (Remote), Councilor George Dzujna, Councilor Ted Starkweather, Councilor Paul Trudel, Councilor Olivia Zink, Councilor Vincent Ribas and Councilor Valerie Blake.

**Absent:** Councilor April Bunker.

**Others in attendance:** City Manager Judie Milner and Municipal Services Director Justin Hanscom.

Mayor Brown called the meeting to order in Council Chambers at 6:00 p.m.

Salute to the Flag was led by Councilor Starkweather.

The public hearing opened at 6:01 p.m.

**Public Hearing**

**Agenda Item I: American Rescue Plan Act (ARPA) Funding Discussion**

City Manager Milner shared a PowerPoint presentation with the council and public, which is included at the end of these minutes.

A discussion about ARPA funds ensued. Councilor Trudel asked about using the ARPA funds to go towards other projects instead and City Manager Milner let him know that they cannot use ARPA funding, which is federal funding, to match the Winnepesaukee River Basin program funding.

Councilor Zink stated that her preference would be to do a resolution for the Broadband Ready Assessment through NHMA for \$7,500 and the Sanbornton Well Field Vacuum Line Assessment for \$420,000 since these will be needed in emergencies. She also stated that adding Babbitt Road Booster Station for \$30,000 to that gives an overage of \$2,833 over what was received. Maybe Council could look at the remaining half next year when there is more time to discuss.

Councilor Zink asked if they could fund the whole Babbitt Road Booster Station project under ARPA and then apply the \$178,000 from the budget to go to other projects. City Manager Milner said yes.

Priorities of which sidewalks to repair first was discussed. Traffic studies on sidewalks in the city would help to see where repairs would be most needed.

Councilor Zink asked if they would be locked into a Resolution for what they decide to appropriate the funds to or if they would be able to change their minds after the fact and City Manager Milner said it is possible.

Also mentioned, ARPA has to follow the same rules for water and sewer as the State's revolving drinking/clean water rules.

Councilor Chandler stated that this proposes mostly water projects along with sidewalks, which he agrees should be taken care of, but no mention of roads. He added that road repair comes up all of the time and he is concerned about whether the citizens will be happy about that not being included. City Manager Milner stated that the water fund has 2,300 customers and the sewer fund has just over 1,800 customers. As of 2020 there is a population of 8,741 in the City of Franklin. Having this in the general fund ensures that everyone gets to enjoy this ARPA funding, which is why it was broken up this way. It could certainly go to other projects, like roads and/or other projects, if the Council wishes to do so. With the small number of users and the small water account, retainer rates would be pretty low so they would have to make up for that in user fees. It is definitely worth a discussion.

Councilor Chandler added that the reason he is asking is because they have applied for a \$1.5 million towards drinking water and \$1.4 million towards sewer but zero is going towards roads. He thinks that is inappropriate.

Mayor Brown asked if there was any opportunity to apply some of the sidewalk money towards roads and mentioned it might need to be a discussion. She understands the reasoning for applying the amount to the water projects, as they are user fee funded.

Councilor Dzujna asked how much road repair can be done with only \$500,000 and stated that this is one of the bigger problems with funding roads.

Councilor Dzujna also asked how long they will have the grant money that they are able to use. City Manager Milner said that they will have it for at least the next couple of years, through the ARPA funding.

Mayor Brown added that there may be some opportunities to push the county a little for helping with roads or some other projects. She stated that they should not be afraid to ask for anything of them. Councilor Zink stated that Franklin will benefit from County money, but she thinks it may be more targeted by what the County wants to send Franklin as opposed to what the Council asks for.

Councilor Zink asked if any ARPA funds can be used to hire an additional police officer or fire officer and City Manager Milner answered that they could but the SAFER grant is 3 years of 100% funding and then afterwards they would need to figure it out. So, if using the ARPA funding that would be 3 years without spending it on anything else. It would be better to use the ARPA funds for things that they do not have other sources of funding for. Councilor Zink asked when they would know if they got the SAFER grant. City Manager Milner said the due date was January 31<sup>st</sup> and if she remembers correctly, it was in April that she let the Council know that they did not get

it last year. Councilor Zink asked if they put together a Resolution for what gets funded and then they don't receive the SAFER grant, can they reallocate the funding to the officers with that money instead? City Manager Milner said it is a bottom-line budget so that would be possible.

Councilor Trudel stated that it is a lot to digest in one meeting and that it may be best to wait until they see the reports from the MSD Committee before deciding. He asked when the drop-dead due date is for deciding on how/when funds are going to be expended.

City manager Milner stated that they have \$454,000 from the general fund that needs to be appropriated by the end of the fiscal year. So, for the City Council in May you can set a public hearing for June to appropriate that money. That would be the drop-dead date, unless the Councilors have a special meeting in June, but they should probably plan on those dates. You wouldn't need to know exactly what project to put the funds towards but you need to know where. If it is not going towards the water fund it would need to go into the general fund. As a bottom-line budget, you can put it in the general fund and move it later as well.

Councilor Blake mentioned that she thinks the ARPA funding recommendations look great and was well thought out. She agrees that the Broadband assessment should be done, especially for such short money. It will be beneficial to newcomers to Franklin and current residents, especially with people working remotely. She also agrees with the funds going towards the water projects and thinks that we shouldn't put all of the funding towards roads alone.

Mayor Brown asked if everyone agreed that the Broadband project should be a definite. She stated that they would probably be looking at having the Broadband Ready Assessment first in priority and Sanbornton Well Field Vacuum Replacement and Babbitt Road Booster Station as second priority. This brings it to \$456,500 towards those three projects and leaves \$451,834. If \$2,833 is taken from the Sanbornton water project that would bring it to the number that they need to appropriate for this year. That difference can then be applied to next year.

Mayor Brown stated that they could plan to set a public hearing in May on the two ARPA funding priorities discussed during the April City Council meeting.

## **Agenda Item II: Other**

Councilor Starkweather stated that MSD Director Hanscom gave a report on trash disposal fees showing that in 10 years the rates are going to be double. It was like reading a horror novel.

City Manager Milner stated that there are a few legislative items going to the House and Senate right now that she could use more voices on rather than just hers alone. There are so many bills out there, one bill in particular is trying to take away the power of the City Council and she thinks it's coming out of our Tobacco 21 policy. Some state legislators do not want the City Council to have any say about their communities. The bills are coming in very fast and the hearings are happening very fast and we don't always have this forum.

She asked the Council how they would like to receive the information on these bills. She could email the information and what needs to be signed. She could send bullet points in an email and does think that they need to be in direct contact with the Senator. How would you like to move

forward with this information?

Councilor Zink mentioned that this was House Bill 1268 and that it should at the minimum require at least a phone call from each Council member and also a letter signed by the Council. There is still time to draft a letter stating that as a governing body they would like to retain their powers to be able to maintain their duties.

She also mentioned Bill 1417, which passed in the House and is going to the House Finance Committee. This has to do with reinstating their share of retirement and is a huge financial impact to our city. She thinks it is important to act on these bills and advocate on the State level for things like this that matter most.

Mayor Brown stated that there are a couple of ways you can go about this. Everyone can go on the website and vote yay or nay. She has done this before. It seems our only option now is to send a letter from the Council. She stated that she has no problem writing a letter that everyone can sign. She asked Councilor Zink to guide her with some of the information that she can add to the letter and she can then see if everyone would like to sign it at the March Council Meeting next Monday.

**Motion to adjourn was made by Councilor Trudel and seconded by Councilor Dzjuna. All in favor. Motion PASSED.**

The meeting adjourned at 7:41 p.m.

Respectfully submitted,  
Lisa Jones



# City of Franklin

American Rescue Plan Act (ARPA) Workshop  
February 28, 2022

## ARPA - Franklin History

- May 17, 2021 – Treasury issued Final Interim Rules
- July 26, 2021 First City Council Workshop – Council consensus to accept City's direct allotment
- July 29, 2021 – City Manager applied for City's direct allotment through NH GOFERR website
- August 18, 2021 – deadline for non entitlement units (NEU) to apply for direct allotment of ARPA funds through NH GOFERR website
- August 20, 2021 – Franklin received 1<sup>st</sup> tranche of direct funding from State of NH (\$454,667.14)
- January 6, 2022 – Treasury issued Final Rule

## ARPA – Treasury Final Rule

- On January 6, 2022, Treasury released the SLFRF Final Rule, providing a final set of eligible uses for SLFRF funds.
- Under the Final Rule, Treasury is employing a standard allowance of \$10 million for revenue replacement for all recipients. This means that **all LFRF money** up to \$10 million can be assigned to the “Revenue Replacement” category.
- The Final Rule:
  - Incorporates Treasury’s response to comments and recommendations from funding recipients.
  - Provides **increased flexibility** in use of Coronavirus State and Local Fiscal Recovery Funds.
  - Provides a **clearer process** for considering the eligibility of use cases not outlined in the original guidance.

## ARPA – Ineligible Uses

- Directly/Indirectly offsetting a reduction in net tax revenue
- Making a deposit into a pension fund
- Funding debt service
- Legal settlements or judgments
- Deposits to rainy day funds or financial reserves
- To undermine COVID-19 mitigation practices in line with CDC guidance and recommendations
- **In violation of the Award Terms and Conditions or conflict of interest requirements under the Uniform Guidance**

## ARPA – Important Dates

- December 31, 2024 – Funds must be **OBLIGATED**
- December 31, 2026 – Funds must be **EXPENDED**

## ARPA - Opportunities

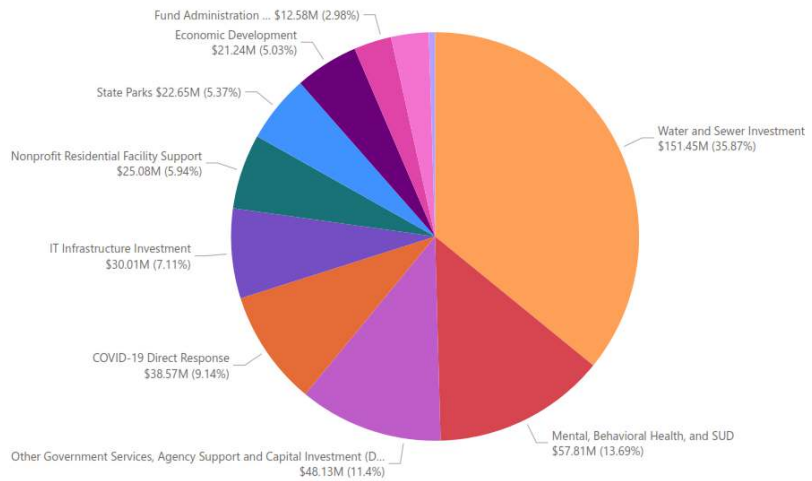
- Opportunities are more than municipal direct allotment
- Similar to CARES Act – pandemic fiscal stabilization - \$3.6M to Franklin of which \$589k was direct to municipality or school district
- ARPA – pandemic fiscal recovery – also has opportunities for other organizations, either direct or non direct
- Focusing on just Municipal opportunities for the purposes of this presentation

## ARPA - State of NH Approved Funds

Amount of Funds Approved by General Category

### General Category

- Water and Sewer Investment
- Mental, Behavioral Health, and SUD
- Other Government Services, Agency Support and Capital In...
- COVID-19 Direct Response
- IT Infrastructure Investment
- Nonprofit Residential Facility Support
- State Parks
- Economic Development
- Fund Administration Costs
- City and Town Support - \$12.58M (2.98%)
- Judicial Branch Support - \$2.07M (0.49%)



## ARPA – Indirect Opportunities

- Active/Applications Complete:
  - New Hampshire Emergency Rental Assistance Program
  - Federal Emergency Management Agency
  - Drinking Water (water) and Clean Water (sewer) State Revolving Funds
  - Federal Economic Development Agency



## ARPA – Indirect Opportunities

- In Progress:
  - Federal Environmental Protection Agency
- In Planning Stage:
  - Federal Department of Transportation
  - Application periods expected to open 2<sup>nd</sup> or 3<sup>rd</sup> quarter 2022

## ARPA – County Allocations

- Why County Allotments disproportionate?
- Merrimack County allocations to municipalities
- Standing Meeting
- Grant Writer
- Method of distribution to municipalities
- Timeline

## ARPA – Franklin Direct Allocation

- \$909,334 – passed through the State of NH
- Received \$454,667 in August 2021
- Remainder expected in August 2022
- Not allocated or appropriated by City as of today

## ARPA – Franklin Recommendation

- General Fund - \$459,334
  - Sidewalks (\$451,834)
  - Broadband Ready Assessment through NHMA (\$7,500)
- Water Projects - \$450,000
  - Sanbornton Well Field Vacuum Line Replacement (\$420,000)
  - Babbitt Road Booster Station (\$30,000 overages)

## ARPA – Next Steps for Council

- Consensus on use of funding/projects
- Appropriate funding:
  - FY22 through nonlapsing resolution
  - FY23 through budget process

## ARPA – Questions/Discussion

